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THE NAVY ACQUISTION CONTRACTING OFFICER INTERN PROGRAM: A PAST AND PRESENT NACO VIEW

by

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BBA, Texas Christian University, 1983

Submitted in partial fulfillment
of the requirements for the degree of

MASTER OF SCIENCE IN SYSTEMS MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL
June, 1994

REPORT DOCUMENTATION PAGE

Form Approved
OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.

1. AGENCY USE ONLY (Leave Blank)	2. REPORT DATE	3. REPORT TYPE
	June, 1994	Master's Thesis

4. TITLE AND SUBTITLE
The Navy Acquisition Contracting Officer Intern Program: A Past and Present NACO View

5. FUNDING NUMBERS

6. AUTHOR(S)
Gonzalez, Vidal E.

7. PERFORMING ORGANIZATION NAMES(S) AND ADDRESS(ES)
Naval Postgraduate School
Monterey, CA 93943-5000

8. PERFORMING ORGANIZATION

9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)

10. SPONSORING/MONITORING AGENCY REPORT NUMBER

11. SUPPLEMENTARY NOTES
The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.

12a. DISTRIBUTION/AVAILABILITY STATEMENT
Approved for public release; distribution is unlimited.

12b. DISTRIBUTION CODE

13. ABSTRACT (Maximum 200 words)

This study evaluates the primary program used by the Navy to introduce Supply Corps officers into the contract management field, the Navy Acquisition Contracting Officer (NACO) Intern Program. The NACO program was evaluated to determine how successful it has been in helping to preserve a cadre of competent military contracting managers. Surveys from 124 former and current interns, ten telephone interviews with current interns, and ten personal interviews with senior contracting managers provide the data for this evaluation. The results indicate that the NACO program is perceived to be effective in providing junior 1306 subspecialists with instruction and experience in contracting. The research concludes that force reduction and DAWIA requirements have not resulted in changes in the objectives of the NACO program, and identifies specialization as a key issue for the Navy in the future. Respondents and interviewees feel that promotion board discouragement of specialization makes it difficult for officers to become proficient in the contract management field. Further, the NACO program is found to be popular with current and former participants, though there seems to be consensus that more centralized and involved program management is necessary.

14. SUBJECT TERMS	16. PRICE CODE
NACO, Contract Management, 1306 Subspecialty, Specialization, DAWIA, Intern Program	15. NUMBER OF PAGES 205

17. SECURITYCLASSIFICATION OF REPORT	18. SECURITY CLASSIFICATION OF THIS PAGE	19. SECURITY CLASSIFICATION OF ABSTRACT	20. LIMITATION OF ABSTRACT
Unclassified	Unclassified	Unclassified	UL

NSN 7540-01-280-5500 Standard Form 298 (Rev. 2-89)

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I. INTRODUCTION

A. GENERAL INFORMATION

One of the responsibilities of the United States Navy's Supply Corps is to conduct the procurement business of the Navy. The Supply Corps must therefore provide qualified contracting managers who can function in a variety of contract management positions, ranging from small purchases to multibillion dollar procurements. Though civilian personnel form the backbone of the Navy's acquisition workforce, Navy officers bring unique fleet experience to the procurement process. A Navy contracting officer can be more effective than his or her civilian counterpart in communicating the urgency that a fleet requirement brings to the procurement process. Navy contracting officers can also identify with the Fleet's operational tempo, including sudden changes in priorities, better than their civilian counterparts.

There are three ways in which Navy officers can be introduced to the contract management field. The two of the most common are the graduate education program at the Naval Postgraduate School (815 program) in Monterey, California, and the Navy Acquisition and Contracting Officer (NACO) career development intern program. The graduate education program is usually offered at the ten year point of the officer's career. The NACO program, on the other hand, brings junior officers into the acquisition and contracting field early in their naval careers, usually after their first tour of duty. The

third avenue to a contract management career, and the least common today, is through experience gained while assigned to a contracting billet.

When the NACO program was introduced twenty-five years ago, the objective was to augment the acquisition and contracting subspecialty (1306) by preparing junior officers for middle and senior grade contract management billets. Junior officers were to complete the two-year NACO program, where they gain hands-on experience and take specialized course work, and then return to sea. Throughout their careers, these officers were expected to develop contracting skills by progressing in a career path that gave them the opportunity to complete two tours in contract management before assignment to senior contract management billets.

With the downsizing effort in full swing, and accelerated over the last two years, one of the challenges that the Navy Supply Corps faces in maintaining the integrity of the procurement system is the preservation of a competent, professional cadre of contracting managers. The drawdown of military personnel, coupled with stricter training, education and experience requirements mandated by the Defense Acquisition Workforce Improvement Act of 1990 (DAWIA), has the potential of significantly affecting the depth of the 1306 subspecialty and the Navy's ability to preserve a professional pool of contracting managers.

Both the NACO program and the graduate education program have been instrumental in maintaining a competent group of contracting managers. While the 815 graduate education program prepares officers for contract management positions that

require advanced education degrees, the NACO program trains officers for procurement positions of lesser responsibility, at the senior lieutenant/junior lieutenant commander level, with the expectation that these officers will eventually complete graduate education in contract management. Completion of both the NACO program and the 815 program makes for a more capable contracting manager. For the Navy, combining NACO practical experience with advanced graduate education in contract management is an ideal formula for development of contracting managers qualified for future assignment to middle and senior grade contract management jobs.

While the NACO program may provide a good starting point for the careers of future middle and senior grade contracting managers, there is concern over the significant number of NACO graduates who lack the follow-on contracting experience needed to prepare them for positions of greater responsibility. This is partly because these officers are not getting sufficient contracting experience between completion of the NACO program and screening for middle and senior grade contract management billets. Beyond this trend, however, there remains a question as to whether the NACO program is functioning as it was intended to. This study investigates the NACO program in an attempt to answer some of the questions that have arisen regarding its effectiveness.

B. OBJECTIVE OF THE RESEARCH

The purpose of this research is to determine whether the NACO program can effectively support the Navy's objective of preserving a capable, professional cadre of military contracting managers.

Given this objective, the following subsidiary questions are also addressed:

1. What is the objective of the NACO program in today's force reduction and procurement reform environment?
2. What are the challenges the Navy is facing in its efforts to preserve a cadre of professional contracting managers?
3. What do past and present NACO participants think about the NACO program?
4. Is the NACO program functioning effectively? If it is not, what are some of the steps that can be taken to make the program more effective?

C. SCOPE AND LIMITATIONS OF THE STUDY

This study conducts a detailed assessment of the two-year NACO program and the impact it can have on preserving an adequate number of qualified contracting managers for the Navy of the 21st Century. The study examines the objective of the program as it relates to today's procurement reform environment and identifies the factors that may be preventing the program from fulfilling its objectives. Issues of concern to both NACO graduates and those NACOs currently in the program are also discussed. The 815 program is not evaluated in this study, even though it has been instrumental in developing the careers of a substantial number of contracting managers. The study concludes by providing recommendations for improvement, based on the analysis provided.

D. METHODOLOGY

The research data were collected through written surveys, literature research, and personal and telephone interviews. Surveys were mailed to active duty Supply Corps Officers who completed the NACO program as well as those who are currently going through the program. Interviews were conducted with 1306 Supply Corps Officers in

senior contract management positions at major systems commands. These included personnel from:

- The Office of the Secretary of Defense; Office of the Assistant Secretary of the Navy for Research, Development and Acquisition; Bureau of Naval Personnel; Director, Acquisition Career Management (DACM); all major naval system commands; and the Defense Logistics Agency Command Headquarters.

The researcher traveled to Washington, DC, to conduct interviews and literature research, and to the Darden Graduate School of Business at the University of Virginia for the purpose of interviewing 25 NACO interns currently going through the capstone course of the NACO program at that institution.

The literature search consisted of reviewing Navy instructions, notices, training records and reports. Information about DAWIA training and education requirements was obtained from the Defense Logistics Studies Information Exchange (DLSIE) data base. Data was also obtained on a similar intern program implemented by the US Army.

As a result of the literature review, it became apparent that this study was the first to be conducted on the NACO program. Besides documented comments and recommendations submitted to the Office of the Assistant Secretary of the Navy (RD&A) by senior DoD officials, there has been little formal or documented study of the NACO program.

The central postulate of this study is that NACO graduates, NACO program administrators, and senior contracting managers are best able to determine whether the current objectives and structure of the NACO program are in line with the Supply Corp's objective of developing and preserving a professional cadre of contracting managers. The

conclusions and recommendations have, therefore, been informed by their points of view. Analysis of survey responses, as well as subsequent follow-up interviews, has been used to develop the conclusions and recommendations of this thesis.

E. ORGANIZATION OF THE STUDY

Chapter II provides background information on events that led to the implementation of the NACO program. It describes the program's objectives and identifies what are perceived as the major problems of the program. Chapter III describes the 1306 subspecialty and looks at the challenges facing the Navy Supply Corps in its attempts to preserve the integrity of the 1306 subspecialty. This chapter also looks at the issues that prevent the Navy Supply Corps from establishing an internal acquisition community. Problems associated with the full implementation of DAWIA and rapid personnel cuts are discussed as well. Chapter IV presents and analyzes the data collected from 144 survey respondents. Chapter V details the information acquired from 10 interviews of senior contracting personnel. Finally, Chapter VI discusses the findings of this study, draws conclusions based on analysis of collected information, and provides specific recommendations. The chapter concludes by recommending areas for further research.

II. THE NAVY ACQUISITION CONTRACTING OFFICER (NACO) INTERN PROGRAM

A. INTRODUCTION

This chapter provides background information on events that led to the implementation of the NACO program. It will describe the NACO program, explain how NACOs are selected, discuss the NACO program in the Defense Logistics Agency (DNACO), list training requirements, explain the management of the program, and identify some of the problems that concern senior contracting managers today.

B. ORIGIN AND PURPOSE

The Navy Acquisition Contracting Officer intern program was established in 1969 by the Navy Supply Corps at the direction of the Secretary of Defense. In 1965, the Secretary of Defense established a joint military study group to make recommendations about actions necessary to ensure that qualified officers are available to fill key military procurement positions in the Department of Defense. One of the primary recommendations of the study group was that each military department should ensure that its career development programs provide for the establishment of a broader base of procurement billets in the junior officer grades, to ensure an adequate flow of junior officers into the field at an early date.[1]

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[1] Navy Supply Office of Personnel (NAVSUP-OP) Publication.

Based on this recommendation, DoD authorized the Navy to increase its Supply Corps Officer end strength to accommodate a "Procurement Trainee" program. In 1969, the Navy responded to the Defense Secretary directive by establishing the Navy Acquisition Contracting Officer (NACO) Career Development Program.[2] Today, the NACO program is the Navy's most comprehensive program for preparing junior officers for a career in acquisition contracting management.

The objective of the NACO program, as stated in Secretary of the Navy Supply Corps Instruction 1541.1 (NAVSUPINST 1541.1), is "To provide NACOs the opportunity to learn the acquisition contracting system through actual contracting work experience and formal training."[3]

A broader objective, based upon data compiled for this thesis, is to introduce Supply Officers in the grades of lieutenant and lieutenant junior grade into the acquisition and contracting field early in their careers. This is necessary to ensure an adequate and timely flow qualified officers to fill subsequent openings in senior contracting positions.

The NACO program also fulfills DAWIA's statutory requirement that each military department conduct an intern program for purposes of providing highly qualified and talented individuals an opportunity for accelerated promotions, career broadening assignments, and specified training to prepare them for entry into the Acquisition Corps.[4]

[2] Secretary of the Navy Supply Corp Instruction (NAVSUPINST 1541.1), Naval Acquisition and Contracting Officer (NACO) Instruction, March, 1994.

[3] Ibid., Encl 1.

[4] Defense Acquisition Workforce Improvement Act, Subtitle A of Title 10 USC, Chapter 87, Public Law 101-510-Nov. 5, 1990, p. 1651.

The NACO program brings junior Supply Officers into the acquisition and contracting field, usually after their first division officer tour at sea, and provides them with the foundation to build upon a career in contract management. Selected officers spend a two-year tour at a major system or field contracting activity, where they receive on-the-job training (OJT) and take specialized course work in such areas as contract planning, negotiation, and administration. They also become experienced in the various methods used in purchasing different systems, materials, and services. Completion of the NACO program commits the officer to a two-year payback tour. The officer can elect to return to sea to fulfill the payback obligation.

After completing the program, each NACO can normally expect at least two tours in contracting and a graduate education prior to assignment to a top acquisition and contracting management billet. Appendix A presents the career path NACOs are expected to follow.[5]

Presently, the NACO program is the preferred vehicle for introducing junior officers into the field of contract management. This is primarily because of statutory requirements.[6] Another factor is the view, widely held by senior Navy contracting managers, that the NACO program provides the flexibility necessary to successfully manage a Naval career. NACO graduates are better positioned to incorporate a broad array of requirements prior to competing for the rank of Captain (O6).

[5] Active and Reserve Supply Corps Flag Officers Conference, Presentation on the Acquisition and Contracting Subspecialty (1306), by RADM E.B. Harshbarger, 19 November 1993.

[6] Secretary of the Navy Supply Corp Instruction (NAVSUPINST 1541.1), Naval Acquisition and Contracting Officer (NACO) Instruction, March, 1994.

Assuming that a junior Supply Officer's objective is to make Captain, he or she must complete three sea tours and an assignment in at least one non-procurement billet before screening for O6 (see Appendix A). Other current requirements include obtaining a warfare qualification and receiving a postgraduate degree.

By completing the NACO intern program early in their careers, NACOs have a better chance of completing two procurement tours prior to screening for Captain without losing competitiveness for promotion. Today, more than ever before, specialization in a particular field is discouraged by senior Supply Officers, since promotion boards look unfavorably at officers who show an inclination toward specialization.

C. NACO SELECTION PROCESS

Every year approximately 20 junior Supply Officers are selected for the program by the NACO selection board. Currently, there are 42 NACO billets authorized; 32 are assigned to Navy commands and 10 are assigned to the Defense Logistics Agency (DLA). Appendix B lists the current billet allocation for both the Navy and DLA. Until recently, the selection board was convened quarterly. However, beginning in March of 1994, the selection board will convene annually.[7] The selection board consists of five Supply Corps Commanders (O5); four representing each of the four Supply Corps intern programs and one representing the Defense Logistics Agency DNACO program. The four intern programs are the NACO program, the Navy Petroleum Officer Trainee (POL) program, the Business Financial Manager (BFM) program, and the Integrated Logistics

[7] NAVSUP-OP NACO Detailer, Telephone Interview, February, 1993.

Support Manager Trainee (ILS) program. The Supply Corps is currently authorized 85 billets for all four intern programs, 42 are assigned to the NACO program. The DNACO program is a subset of the NACO program that is managed by DLA.[8]

The selection process starts with the individual officer requesting, in writing, to be screened for the program. Next, the NACO detailer conducts a thorough review of the officer's performance record to verify that:

- The officer's fitness reports consistently reflect outstanding performance.
- The officer has earned a Warfare qualification.
- The officer is in a sea billet.
- The NACO tour is the second tour in his/her career.

The same requirements apply to the other three intern programs. If there is a doubt concerning the officer's performance record, the NACO detailer contacts the applicant's reporting senior or the immediate supervisor to obtain additional information. In most cases, it is a ship's Supply Officer who can clarify ambiguities in the fitness reports.[9]

Once the initial screening is completed by the NACO detailer, the selection board reviews the screened records and selects the best qualified officers to fill the anticipated vacancies. The board's selection rate for Fiscal Year 1993 was 25 percent. There were approximately 100 applicants; 80 made the board and 20 failed the initial screening.[10] For the most part, applicants only have one opportunity to be selected for the program, since the screening process usually takes place within six moths of the rotation date.

8 Ibid.
9 Ibid.
10 Ibid.

D. DETERMINATION OF NACO MANPOWER REQUIREMENTS

An initial question facing those who manage a career development intern program is, "How many interns do we need to bring into the program this year?" Interns are one source of manpower used to meet expanding workload requirements and to replace those personnel who leave the organization through transfer, retirement, resignation, or death. Since the number of entrants for the current year must correspond to anticipated losses two or three years later, depending on the length of the intern program, it is extremely difficult to answer this question.[11] In the case of the NACO program this task is even more challenging, since the number of NACOs who are brought into the program today should correspond to anticipated losses *ten* years later.

Surprisingly, manpower planning for the 1306 subspecialty does not take into account the number of interns that should be recruited for the NACO program each year. Instead, according to the Navy Supply Personnel Planning Division (OP3), graduates of the 815 program are considered the main source of manpower to support anticipated billet requirements. Therefore, the annual recruiting requirement for the NACO program is based strictly on the number of NACO billets rotating that year. It does not correspond to anticipated losses in later years.

Clearly, the NACO program meets DoD's objective of expanding the base of procurement billets to provide junior officers with procurement experience. Whether the program meets the broader goal of ensuring an adequate flow of junior officers for future middle and senior grade contract management billets is not clear. A system to track the

[11] Director, Army Procurement Research and Analysis Office, *Procurement Intern Program*, US Army Materiel Command, Department of the Army, August, 1978, p. 9.

flow of NACOs into senior contracting jobs is not in place. Once a NACO completes the intern program, the officer is simply assigned the subspecialty (S) code and is subsequently placed in the 1306 pool. There is no additional follow up on these officers.

E. DEFENSE NACO (DNACO) PROGRAM

The DNACO program was established in the mid 1980's after DLA requested and obtained approval for converting ten procurement trainee billets to NACO intern billets.[12] NACO assignment to DLA billets is through a contract administration office and is coordinated by the DLA Deputy Director for Acquisition. NAVSUPINST 1541.1 provides overall program guidance, while a DLA instruction, currently being drafted, implements the program within DLA. DNACO Individual Development Plans (IDPs) must be forwarded to ASN (RD&A) in the same manner and cycle as Navy NACO IDPs are to be submitted.

F. TRAINING REQUIREMENTS

Formal training requirements are now driven by DAWIA Level I and Level II certifications. Completion of the NACO program qualifies the intern through DAWIA Level II.[13] The mandatory courses are listed in Table I.

[12] NACO Program Coordinator, personal interview, Office of the Assistant Secretary of the Navy (RD&A), January, 1994.

[13] Secretary of the Navy Supply Corp Instruction (NAVSUPINST 1541.1), Naval Acquisition and Contracting Officer (NACO) Instruction, March, 1994.

TABLE I. NACO COURSES.

(APPLIES TO DAWIA LEVEL I CERTIFICATION)	
CON 101 Contracting Fundamentals (Management of Defense Acquisition Contracts)	4 weeks
CON 104 Contract Pricing (Principles of Contract Pricing)	3 weeks
(APPLIES TO DAWIA LEVEL II CERTIFICATION)	
CON 201 Government Contract Law (Government Contract Law)	2 weeks
CON 211 Intermediate Contracting (Management of Defense Acquisition Contracts) (Advanced))	3 weeks
CON 231 Intermediate Contract Pricing (intermediate pricing)	3 weeks
NACO CAPSTONE COURSE	
Business Resource Management	4 weeks

Business Resource Management is the capstone course of the NACO program. This course is conducted at the University of Virginia, Graduate School of Business, once a year during the month of January. It consists of executive level instruction in the concepts and practice of business administration, and is designed to expose NACOs to current business practices through a combination of faculty experience and the use of case studies and decision making exercises.

While in the program, NACOs can anticipate spending approximately six months in training courses and 18 months gaining hands on, practical experience (OJT). This does not take into account regular leave periods and travel time, which can cut into the OJT time. The NACO OJT component is considered to fulfill the DAWIA Level II Certification requirement for two years of contracting experience in "an acquisition position of increasing complexity and responsibility."

Formal training, education and OJT assignments are incorporated into the NACO's Individual Development Plan (IDP), which is developed and maintained by each individual organization. The OJT plan is tailored to the functions performed by that particular contracting activity. For this reason, the experience gained at a major systems command activity can differ substantially from that gained at a field activity.

G. MANAGEMENT OF THE NACO PROGRAM

The Ships Parts Control Center (SPCC) "owns" the 42 NACO billets. The Office of the Assistant Secretary of the Navy (ASN) for Research, Development and Acquisition (RD&A) manages the program. ASN (RD&A) provides guidance in accordance with the Navy Supply Corps Instruction 1541.1, and is primarily responsible for monitoring the training and development of all NACOs and the coordination of NACO billets assigned to Navy Commands and DLA offices (NACOs assigned to DLA are managed and accounted for through DLA reporting systems).

A NACO's progress is monitored via his or her IDP, which is submitted 30 days after reporting for duty and every six months thereafter. Preparation and completion of IDP objectives are the responsibility of each command. Guidance provided in NAVSUPINST 1541.1 is broad in terms of experience requirements and specific in terms of formal education requirements. Accordingly, planned OJT objectives reflect only those functions carried out by the particular contracting operation. OJT requirements can include training in the areas of contract management, contract policy, planning management, negotiation and contract administration. Formal training is funded and

sponsored by the Navy Defense Acquisition Career Management Office (DACM). The only exception is the Business Resource Management course, which is funded and sponsored by ASN (RD&A). Quotas for the other mandatory and recommended courses are assigned by the DACM office in coordination with each command. NAVSUPINST 1541.1 also assigns Commanding Officers, or their designated officer representatives, the responsibility of serving as, or providing a mentor for, the NACO intern, and ensuring that the program's objectives are fulfilled accordingly. This includes ensuring that the IDP is prepared and followed in accordance with the guidance provided in NAVSUPINST 1541.1, and that the NACO intern is rotated among different assignments. Furthermore, the instruction clearly states:[14]

> NACO interns are not to be considered as ready resources for use in various stop-gap situations. For example, it may be inappropriate to assign a NACO to a position solely to resolve a workload backlog problem. Short term (not exceeding a total of two weeks) rotation, as part of a formal command orientation program, is not precluded.

H. THE PROBLEM

Ongoing screening of officers' records is revealing that a substantial number of 1306 officers, in particular NACOs, are lacking the experience necessary to meet DAWIA requirements. This is of concern to senior Navy contracting managers, because NACOs should be progressing along a career path that would prepare them for positions of greater responsibility. For various reasons, some of the NACOs who are considered

[14] NAVSUPINST 1541.1, Enclosure 3, page 1.

for top contract management positions have not completed the educational requirements and the tours in contracting that would have qualified them for contract management jobs.

It is not clear why this gap is appearing. One factor may be the promotion opportunities that must be foregone if junior Supply Corps officers specialize too early in their Navy careers. To stay competitive for promotion, junior Supply Corps officers are discouraged from specializing, and instead are encouraged to explore additional fields. In a recent conversation with a detailer for Supply Corps officers, this view was confirmed. The detailer added that the promotion boards look unfavorably toward officers who stay in a particular career field for long periods of time. In the detailer's words, "officers must become jacks of all trades."

Another factor may be the Navy's detailing system itself. Officers draw assignments based on the needs of the Navy at the time of assignment. For instance, NACO may not be assigned a contracting billet so that he can fill a critical financial management billet.

In a visit to the Naval Postgraduate School in September of 1993, the Navy's Deputy for Acquisition Policy, Integrity and Accountability, Rear Admiral Eugene. B. Harshbarger, expressed concern over the availability of qualified NACOs. Admiral Harshbarger asked, "Where are the NACOs going? Why aren't they here at the Naval Postgraduate School? Are NACOs in the right places?" The implication is that the NACO program may be falling short of its original objective of augmenting the 1306 subspecialty with an adequate number of qualified contracting managers.

As for the causes of the shortage, RADM Harshbarger alluded to the negative effects of specialization on officer promotions. He did not think the detailing system was a factor. Results of a survey conducted for this thesis support Admiral Harshbarger's statements.

I. SUMMARY

This chapter briefly touched on the events that led to the implementation of the NACO program in 1969. The short term goal of the program is to provide junior Supply Corps officers the opportunity to gain contracting experience. The long term goal is to ensure an adequate flow of NACOs into middle and senior grade contracting billets. Formal training requirements are now driven by DAWIA Level I and Level II requirements. There is no tracking system to monitor the flow of NACOs into middle and senior grade contract management positions.

III. THE 1306 SUBSPECIALTY TODAY

A. INTRODUCTION

The previous chapter described the NACO program and discussed some of the problems with the NACO program that concern senior contracting managers. This chapter describes the 1306 subspecialty, and looks at the challenges facing the Navy Supply Corps in its attempts to preserve its integrity. In identifying these challenges, the reason why the 1306 is a subspecialty instead of a specialty or community is examined, as are problems associated with rapid personnel cuts and the effects of DAWIA.

B. THE 1306 SUBSPECIALTY TODAY

The 1306 subspecialty consists of approximately 500 Supply Corps officers who have gained acquisition and contracting experience and education by completing the 815 program, or the two-year NACO intern program, or an acquisition tour where they completed mandatory procurement courses and gained significant practical experience.

Both the NACO program and the graduate education program have been instrumental in supporting the 1306 subspecialty. The 815 program is the core of the 1306 subspecialty, and provides highly educated officers at the lieutenant commander level for senior contract management positions. The NACO program, on the other hand, supplements the 1306 subspecialty by providing talented junior lieutenants and lieutenants junior grade with practical experience for middle grade contracting positions.

Based on the February, 1994 Office of Naval Personnel data base, there are approximately 192 1306 billets, 130 of which are P-coded billets or 1306P. The other 62 billets are S-coded or 1306S. P-coded billets are contract management positions that require advanced degrees, and are usually reserved for graduates of the Naval Postgraduate School (NPS), or in this case, 815 program graduates. In practice, however, P-coded billets continue to be filled with personnel having the 1306S subspecialty. S-coded billets are procurement jobs that do not require advanced degrees. Non-NPS graduates, NACOs, and those who earned the 1306 qualification through experience, are usually assigned to 1306S billets. If an officer with the 1306S code completes the 815 program, he is also assigned the 1306P code.

1. The Purpose of the 1306 Subspecialty

Supply Corps Officers assigned to 1306 billets play a major role in contracting with private businesses to procure more than $41.5 billion worth of systems, materials, and services each year. From data provided by ASN (RD&A), in Fiscal Year 1993 these officers were responsible for executing 2,199,900 contract awards. Supply Corps Officers can be assigned to positions involving negotiation of contract actions, execution of contract awards, development of contract policy, administration of contract actions, and management of contracting operations. Also, a substantial number of 1306 billets provide direct waterfront support to the fleet.

2. 1306 Manpower Requirements

The Supply Corps relies primarily on a large pool of 1306 officers to satisfy 1306 billet requirements. This large pool is essential for retaining the flexibility necessary for Supply Corps officers to rotate to non-contracting fleet support duties or training schools, while at the same time providing manpower to fill 1306 billets. The current ratio of officers to billets is approximately 1.5:1 for O-6 billets and 2:1 for O-5 and O-4 billets.[15]

a. The NACO Program

The NACO program graduates approximately 20 officers each year into the 1306 subspecialty. With few exceptions, these officers can function as contracting officers in their next contracting assignments. However, for their payback tour, the majority of NACOs elect to return to sea duty or to opt for assignments in non-procurement billets. They attend graduate school after the payback tour. For this reason, most NACOs become available for assignment to contracting billets five or six years after they complete the intern program. Only 15 out of 96, or 16 percent of NACOs surveyed, had entered contracting billets after completing the intern program. Excluding 27 Lieutenants out of the 96 NACOs surveyed, 71.6 percent have completed at least one contracting tour in their naval careers. The specific survey results regarding 1306 contracting tours among survey respondents are listed in Table II.

[15] Active and reserve Supply corps Flag Officers Conference, Presentation on the Acquisition and Contracting Subspecialty (1306), by RADM E.B. Harshbarger, 19 November 1993.

TABLE II. 1306 CONTRACTING TOURS AMONG SURVEY RESPONDENTS.				
Rank	Number Surveyed	One 1306 Tour	Two or More 1306 Tours	Combined Percentage
Captain (O6)	15	0	11	73.3
Commander (O5)	29	6	16	75
Lt. Commander	25	10	5	56
Total	69	16	32	69.6

Lieutenants were excluded from the above calculation because NACO's are not expected to have completed a contracting tour until after they have made the rank of Lieutenant Commander (O4), which is normally at the eleven year point of their naval careers. At the O5 and O6 levels, approximately 75 percent of active duty NACO graduates flow into middle and senior grade contract management positions.

b. The 815 Program

The number of 815 graduates each year varies between 25 and 35. This depends on the number of quotas validated every two years. The quotas correspond to the number of 1306 officers who may be retiring or separating a few years later. The method used for determining future requirements is a manual computation that takes into account anticipated 1306P personnel losses, the demand for 1306P personnel, and current the 1306P officer inventory.[16] Unlike NACO graduates, 815 graduates form the core of the 1306 subspecialty, and as such, their numbers are monitored by the Office of Supply Personnel Planning to ensure an adequate flow of officers into 1306P billets.

[16] NAVSUP-OP Career Development and Training Branch (OP31), telephone and personal interviews, February and March 1994.

c. Other Avenues to the 1306 Subspecialty

Officers who gain contract management experience while assigned to 1306 billets can get the Additional Qualification Designator (AQD) 916/917. 916/917 officers can function in 1306 billets with few restrictions. There are approximately 45 916/917 officers who supplement the 1306 pool of officers. However, with DAWIA now in place, this group is gradually disappearing. Nevertheless, junior officers assigned to procurement billets can receive the 1306S code if they complete the same mandatory courses that NACOs complete. These officers are often called "unofficial NACOs," or "back door NACOs."

C. WHY AN ACQUISITION SUBSPECIALTY AND NOT A SPECIALTY OR COMMUNITY?

The mission of the Supply Corps does not lend itself to the formation of communities that specialize strictly in one field of expertise. Instead, the Supply Corps allows subspecialization in some areas without subordinating the primary function of a Supply Corps officer, which is being a Supply Officer at sea. Moreover, the core functions of the Supply Corps demand that each member officer be capable of performing effectively in a variety of shore support billets as well.

1. The Mission of the Supply Corps

The mission of the Supply Corps has always been to support the Navy's unique mission of sustained, independent operations at sea.[17] This mission remains unchanged.

[17] Chief of the Supply Corps, RADM R.M. Moore, *Message from the Chief on the 199th Birthday of the Corps*, Flash from the Chief, 26 January, 1994.

When the officer is not at sea, fleet support-related jobs, close to the waterfront, are the next best alternative. With few exceptions, Supply Corps officers identify strongly with fleet support operations. In other words, most Supply Corps officers think of themselves as ship Supply Officers first and subspecialists in a particular field second. This attitude affects how subspecialties are managed and where they fall in priority.

2. A 1306 Subspecialty or Community?

To segregate 1306 Supply Corps Officers into a community specializing in acquisition and contracting would defeat the purpose of educating Navy Supply Corps officers in procurement in the first place. Supply officers bring into the Defense procurement system fleet experience that only they can provide. Supply officers frequently have personal, first hand experience with the equipment and supplies that they will buy as contracting officers.

As Supply Officers on board Navy ships, they experience the frustrations and challenges associated with providing support for sustaining independent operations at sea. They can clearly identify with the consequences of missed delivery dates, or delivery of the wrong part. Furthermore, their experiences at sea add credibility when communicating the urgency of a fleet requirement.

For the Supply Corps, this experience is crucial to the success of the Navy's acquisition system. If an acquisition community is created within the Supply Corps similar to the medical, civil engineering, and legal communities, the unique and valuable experience that Supply Corps Officers bring to the procurement system would be lost.

These officers would no longer be Supply Corps Officers, and instead they would become strictly acquisition and contracting officers, with limited sea experience.

D. THE IMPACT OF DAWIA ON THE 1306 SUBSPECIALTY

In 1990, Congress passed the Defense Acquisition Workforce Improvement Act (DAWIA).[18] This legislation is intended to create a "rationally and logically structured acquisition workforce which would serve as the foundation for a high quality professional acquisition corps of senior executives."[19] The act brings more centralized management and more professional development, education, training, and career opportunities to the Department of Defense acquisition workforce. Full implementation of DAWIA by DoD military services and agencies was to be accomplished by 1 October 1993. The major impact of DAWIA upon the 1306 subspecialty is in the form of statutory requirements for contracting positions, and additional requirements for selection into the Acquisition Corps or, in the case of the Navy, the Acquisition Professional Community (APC). In the Navy, the APC is a subset of the Department of the Navy (DoN) acquisition workforce.[20]

1. Statutory Requirements for Contracting Positions

Within the 1306 subspecialty, contracting positions consist of three subsets: contracting officers warranted above the small purchase threshold ($25,000 as of 1 October 1993); contracting officers conducting small purchase functions or performing

[18] Defense Acquisition Workforce Improvement Act, Subtitle A of Title 10 USC, Chapter 87, Public Law 101-510-Nov. 5, 1990, p. 1638.

[19] Office of the Assistant Secretary of the Navy (RD&A), Director, Acquisition Career Management, Memorandum, Department of the Navy Interim Procedures for Implementing DAWIA Requirements, 10 September, 1993, p. 1.

[20] Ibid., p. 37

procurement functions that do not obligate the Government; and Senior Contracting Officials. A Senior Contracting Official can be a director of contracting, or a principal deputy to a director of contracting, serving in the office of the Secretary of a military department, the head of a Defense Agency, a subordinate command headquarters, or in major systems or logistics contracting activities in the Department of Defense.[21]

Contracting positions which are designated Critical Acquisition Positions (CAPs) are also subject to specific requirements. A CAP is any acquisition position, in this case a contracting position, required to be filled by a person in the grade of GS/GM-14 or above, or military grade O-5 or above.[22] Officers assigned to Critical Acquisition Positions must be members of the Acquisition Corps. The statutory requirements for contracting positions are divided into three levels, determined by the grade of the position. These three levels are:[23]

- Level I (GS-5/8 and military 0-1/0-3)
- Level II (GS-9/12 and military O-4)
- Level III (GS/GM 13 and above and military O-5 and above)

Appendix C lists education, experience and training requirements for all levels that must be met before an individual can be assigned to a contracting billet that has been designated an acquisition position at one of the three levels. Waivers can be obtained for any of the three career levels if the appropriate criteria are met.

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[21] Defense Acquisition Workforce Improvement Act, Subtitle A of Title 10 USC, Chapter 87, Public Law 101-510-Nov. 5, 1990, p.1650

[22] Office of the Assistant Secretary of the Navy (RD&A), Director, Acquisition Career Management, Memorandum, Department of the Navy Interim Procedures for Implementing DAWIA requirements, 10 September, 1993, p. 39

[23] Ibid., p. 38

2. Acquisition Professional Community (APC)

DAWIA requires each military department to establish an Acquisition Corps. The Acquisition Professional Community is the Acquisition Corps of the Department of the Navy. For selection into the Acquisition Corps, the officer must be serving in the grade of O4 or higher. Also, the officer must have (1) a baccalaureate degree (or have been certified by the career program board as possessing significant potential for advancement to a level of greater responsibility and authority) and (2) completed at least 24 semester credit hours (or equivalent) of study from an accredited institution of higher education among the disciplines of accounting, business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, and organization and management. Officers must also have at least four years of experience in an acquisition position in the Department of Defense, or in a comparable position in industry or Government. APC membership is a requirement for assignment to a Critical Acquisition Position.[24]

The promotion rate for officers in the Acquisition Corps is addressed by the statute in the following manner:

> The Secretary of Defense shall ensure that the qualifications of commissioned officers selected for an Acquisition Corps are such that those officers are expected, as a group, to be promoted at a rate not less than the rate for all line (or the equivalent) officers of the same armed force (both in zone and below the zone) in the same grade.[25]

[24] Defense Acquisition Workforce Improvement Act, Subtitle A of Title 10 USC, Chapter 87, Public Law 101-510-Nov. 5, 1990, p. 1644.

[25] Ibid, p. 1644.

3. Immediate Effects of DAWIA

The immediate effect of DAWIA on the 1306 subspecialty was to restrict the assignment of 1306 officers who do not meet the experience requirement to contracting jobs designated as Defense Acquisition Positions. Although waivers can be obtained to fill acquisition positions, few waivers were granted during FY 1993. In the annual report to the President and the Congress, submitted by Secretary of Defense Les Aspin in January 1994, the Navy granted only nine waivers, none of which were for contracting personnel.[26]

For individuals pursuing a program of academic training or education in acquisition, DAWIA allows a maximum of one year toward fulfilling an experience requirement.[27] Thus, graduates of the 815 program can only obtain credit for one year of experience for the time spent at graduate school. However, completion of the 815 program satisfies most of the mandatory contracting courses needed to meet the Level III requirements.

The experience requirement creates a problem for 815 graduates who lack practical experience in contracting. This is because, after graduation, they do not even meet the minimum two-year experience requirement for contracting officer positions that are warranted above the small purchase threshold. Instead these officers can only be assigned to non-warranted contracting positions or, as in the major systems commands, to trainee type jobs, at least for the first year of their assignment. As a result, the problem

[26] Aspin, Les, Secretary of Defense, *Annual Report to the President and the Congress*, January, 1994, p. F13.

[27] Defense Acquisition Workforce Improvement Act, Subtitle A of Title 10 USC, Chapter 87, Public Law 101-510-Nov. 5, 1990, p. 1642.

of unqualified 1306 officers involves not only the NACOs who lack the four-year experience requirement but also with the 815 graduates who lack practical experience.

Completing the NACO program satisfies Level II, but not Level III, requirements. NACOs must complete at least one more contracting tour in order to meet Level III requirements. This second contracting tour, following completion of the NACO program, is what most NACOs are missing in their career paths. NACOs who also complete the 815 program leave the Naval Postgraduate School with three years of experience to their credit. But there are few such NACOs. Of those surveyed, only 15 out of 87 NACOs with at least 10 years of active duty had completed the 815 program. In the 815 program's class of 1994, only 4 of 29, or 14 percent, have completed the NACO program.

E. THE IMPACT OF FORCE REDUCTIONS ON THE 1306 SUBSPECIALTY

The accelerated personnel drawdown associated with the ongoing restructuring of the Navy combined with stricter DAWIA requirements to create a shortage of 1306 officers qualified to fill Senior Contracting Management positions. This shortage can have a significant impact on preserving a pool of qualified contract managers for the Navy of the 21st century. Among today's Senior Contract Officers, the consensus of opinion is that the minimum requirements set by DAWIA do not constitute the major challenge to the Supply Corps. The real challenge, in their eyes, is to ensure that individuals with *extensive* contracting experience are available to fill Senior Contract Manager positions. Therefore, pressures arising from downsizing initiatives, specifically

the trend toward avoiding specialization, are viewed with more concern than the requirements of DAWIA.

1. The Downsizing Effect

The 1306 subspecialty is not immune to the changes taking place in the Navy. The downsizing efforts are just picking up steam, and a much smaller Navy is what military leaders envision for the 21st century. As stated by the Chief of the Supply Corps on 1 February 1994:

> By 1999, active Navy forces will have been reduced by about 170,000 enlisted, 20,000 officers, some 200 ships and 1,500 aircraft from the Navy we had 5 year ago. In 1994 alone we will decommission 66 ships and 5 aviation squadrons. The Supply Corps of 1999 will consist of approximately 2,900 officers, reduced from a 1989 level of 4,013.

As the number of Supply Corps Officers approaches 3,000, the pool of 1306 officers is not only getting smaller, but competition with other subspecialties for the best and the brightest among junior Supply Corps officers is becoming tougher as well. Additionally, the core functions of the Supply Corps are expanding, as restructuring eliminates personnel faster than jobs. This affects contracting activities in particular, as some programs have been eliminated and vertical cuts have taken place, most major programs are still active and procurement requests continue to feed the procurement process. The procurement requests may today be substantially smaller in dollars than in previous years but the bulk of the work involved in completing a procurement request is the same whether the buy is for 50 or 100 missiles.

2. Continuing Demand for 1306 Officers

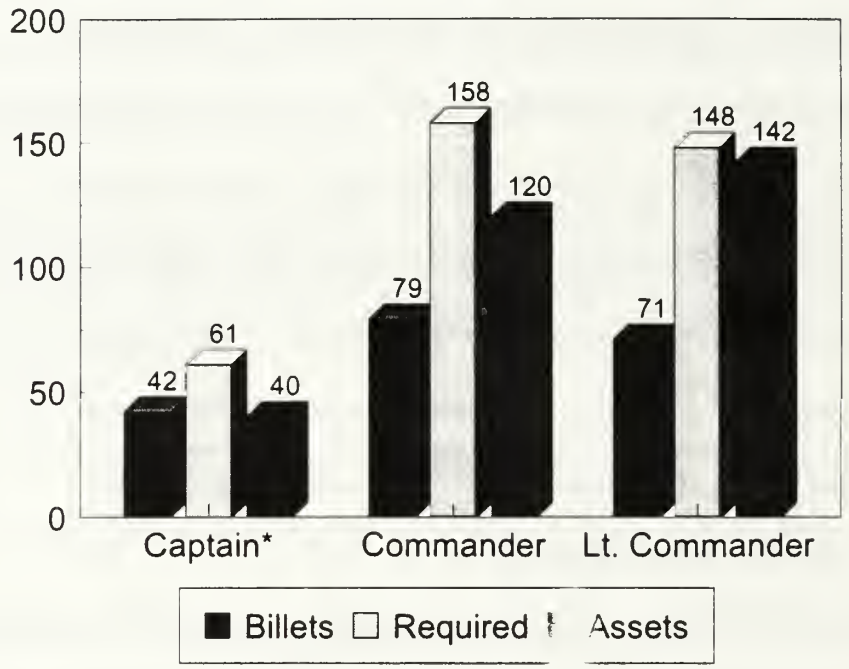
Senior contracting officers anticipate an increase in the demand for 1306 officers. This is because the skills of a 1306 officer, such as preparation of Statements of Work and Justifications and Approvals (J&A's), evaluation of proposals, conducting negotiations, and analytical skills are in great demand in many non-contracting jobs. With the anticipated requirements to do more with less, 1306 officers are prime candidates for a variety of non-contracting billets. This is particularly important, since the core functions of the Supply Corps will continue to focus on directing a logistics pipeline that supports fleet operations around the world. Today, the vision of tomorrow's leaner, streamlined Supply Corps presents a challenge to meeting the objective of preserving a group of competent contract managers. With specialization being discouraged at the junior officer ranks, the predicament has become acute.

3. The loss of Practical Experience

For most of the senior officers interviewed by the researcher, maintaining a level of practical experience commensurate with the requirements of contract management billets is a major concern. Just as the lack of practical experience among junior 1306 officers presents a challenge for the future, the loss of practical experience that is occurring as a result of force reduction initiatives is having an immediate effect. As more and more middle and senior grade officers are selected for early retirement, the level of practical experience in the 1306 subspecialty is gradually eroding.

4. How Significant is the Shortage?

The data in Figure 1 was obtained from a presentation by Rear Admiral Harshbarger at the Active and Reserve Supply Corps Flag Officers Conference, 19 November 1993.



* 32 of the 42 O-6 billets are DAWIA critical

Figure 1. 1306 Billets versus Assets.

The above figure identified a total of 192 billets, 367 required officers to fill the billets, and 302 available officers, indicating a shortage of 65 officers. The requirement for 367 officers accounts for officers attending schools, rotating to afloat billets, traveling between permanent duty stations, and taking regular leave.

It is difficult to determine the significance of this shortfall, since the Navy is dealing with a moving target. Downsizing efforts continue to make personnel cuts faster than billet losses from consolidation and elimination of operations. What may be an acceptable shortage today may not be tomorrow. The Navy Supply Corps is now facing two dilemma as:

- How to maintain a high level of expertise in the 1306 subspecialty without compromising the careers of its officers?
- How to meet the increasing demand for 1306 officers with a smaller pool of officers?

For a Navy Supply Corps Officer, specialization before screening for O6 spells trouble--possibly early retirement or separation--because there is no incentive to become proficient in a particular field. For the Navy, developing competent, top notch officers for O6 contract management billets is essential. But, with a shrinking officer pool, the Navy Supply Corps must generalize its officers to meet Navy-wide personnel requirements. The predicament is real and there are no easy answers. How can the Navy develop and maintain a cadre of contracting professionals without specialization?

F. SUMMARY

This chapter provided an overview of the 1306 subspecialty. It also explained the reasoning behind having a acquisition subspecialty in the Supply Corps, instead of a community specialized strictly in contract management. Furthermore, the problems associated with the full implementation of DAWIA and the downsizing of the Navy were discussed. The initial impact of DAWIA on the 1306 subspecialty was to aggravate the shortage of experienced 1306 officers. Although DAWIA is currently restricting

assignment of some 1306 officers, senior contract managers appear to be more concerned with the loss of practical experience associated with the early retirement of experienced 1306 officers, and the reluctance of junior officers to specialize in the field.

IV. DATA PRESENTATION AND ANALYSIS

A. INTRODUCTION

This chapter presents and analyzes the information gathered through surveys and interviews. The researcher mailed an 11-question survey to 125 NACO graduates; 96 NACOs returned the completed questionnaire. This number represents approximately 25 percent of the supply corps officers who have completed the program from 1969 through 1991. Figure 2 illustrates the breakdown of survey respondents by rank.

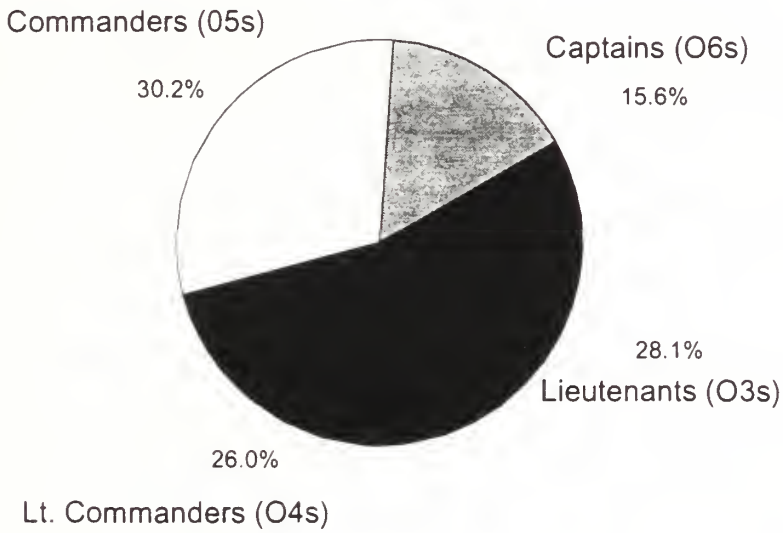


Figure 2. Survey Respondents by Rank.

A second set of questionnaires was mailed to 30 NACOs and 10 DNACOs currently in the program. Out of this group, 21 NACOs and 7 DNACOs completed the survey. These numbers represent about 70 percent of the total number of NACOs and DNACOs currently going through the program. All 28 interns in this group are lieutenants. Nearly half, 13 out the 28 interns, were in the second year of the program. Follow up telephone interviews were conducted with ten of these interns.

The surveys mailed to NACO graduates and current NACOs and DNACOs were basically the same. The only difference was that some of the questions were modified to reflect the present tense. The survey and results are provided in Appendix D. A third questionnaire was sent to NACOs and DNACOs who completed the Business Resource Management Course (BRMC) in January of 1994. This survey was specifically designed to obtain feedback about the BRMC from the most recent graduates; 20 out of 25 interns, or 80 percent, completed this survey. The results of this survey are presented in Appendix E. The researcher also traveled to Washington DC to conduct personal interviews with ten senior 1306 officers currently assigned to acquisition billets in the areas of policy, procurement, career development and planning, and detailing. The aggregate listing of all officers interviewed is provided in Appendix F.

B. SURVEYS

The surveys were designed to provide NACOs the opportunity to evaluate the program in the areas of formal training and on-the-job training. Other questions were of

a general nature, such as educational background and career path information. Specifically, the questions covered the following:

- Question 1 - How did the NACO find out about the program?
- Question 2 - How long did it take to complete the program?
- Question 3 - Where was the program completed?
- Question 4 - When were the mandatory courses completed?
- Question 5 - On-the-job training evaluation (26 areas).
- Question 6 - Was completing the program a rewarding experience?
- Question 7 - Overall program evaluation, six areas (training courses, OJT, job rotation, workload, guidance and supervision/mentor, and stimulating interest).
- Question 8 - Graduate education.
- Question 9 - Career paths.
- Question 10 - Reasons for seeking other career paths.
- Question 11 - Recommendations to improve the NACO program.

Figure 3 illustrates the breakdown of survey respondents in terms of their undergraduate educations. See Appendix D for a detailed breakdown of non-business undergraduate degrees.

Among current program participants, the percentage of NACOs with non-business majors has increased by approximately 54 percent (from 37 percent to 57 percent) while the percentage of business majors has declined by 32 percent (from 63 percent to 43 percent). This is interesting, because one would think that the opposite would be occurring. In today's acquisition reform environment, where efficiency and effectiveness are the drivers of reform, why would the Navy bring non-business majors into the NACO program, where a business background can make the training much more effective? This is not to say that non-business majors are not capable of fulfilling a successful contract management career. In fact, 7 out of 11, or 64 percent, of the captains surveyed have non-business undergraduate degrees, and all have successfully managed careers in

contract management. The point is that, with the short-term NACO time horizon, a non-business major may require a longer period of time to fully comprehend the business concepts and practices that affect the procurement process of the Department of Defense. Further, a holder of a non-business degree may not meet DAWIA's APC requirement for 24 semester hours in advanced business-related areas. NACOs who have completed a graduate education are more likely to have met these requirements.

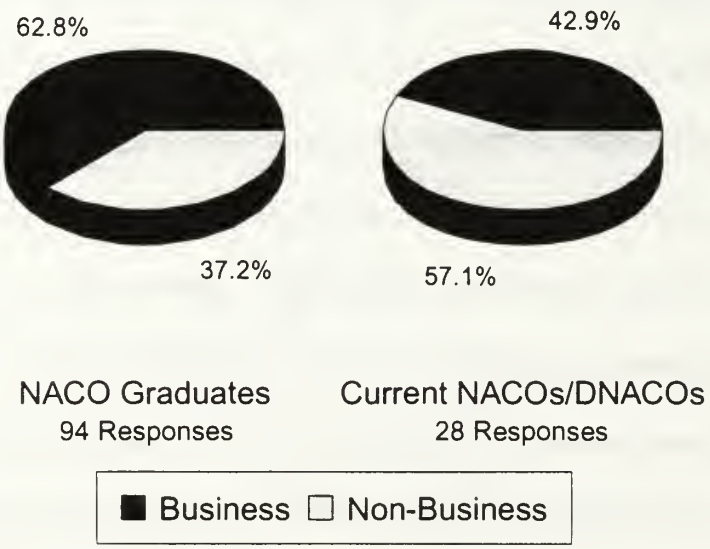


Figure 3. Undergraduate Education Among Survey Respondents.

Among the 94 NACO graduates, DAWIA requirements are not a problem, because 82, (or 88 percent), already have master's degrees, in business related fields while three intend to attend graduate school and six are scheduled to attend graduate school. Of those with no master's degree, eight are lieutenants, three are lieutenant commanders, and one is a commander. Out of these 12 NACOs, only three have non-business degrees. Thus, the NACO graduate group is not really affected by the DAWIA education requirements.

However, current NACOs and DNACOs with non-business degrees who have yet to complete the program may fall short of satisfying DAWIA education requirements. Because 57 percent of NACOs and DNACOs have non-business degrees, chances are that a good number will not currently meet the APC requirement. Follow-up telephone interviews revealed that only two out of ten officers were currently attending night school to expand their business education. It may be that more NACOs are attending night classes for the same purpose. However, most NACOs have just completed a sea tour and are already facing the demands of the intern program, which is actually a compressed version of the three-year civilian intern program. It is unreasonable to expect that these officers should be able to simultaneously take on additional educational goals while receiving the maximum benefit of the intern program.

On the other hand, if it were to exclude non-business majors from the NACO program, the Navy might not locate suitable substitutes. Instead of NACOs who fall short of education requirements, the Navy might wind up with NACOs who meet the APC guidelines, but have performance records that fall short of the current performance

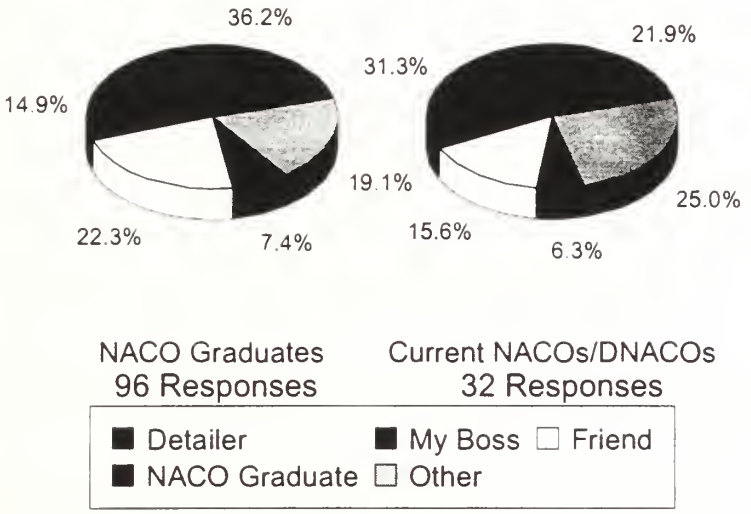
standards. Also, with force reductions taking their toll, the Supply Corps is not in a position to be too selective by placing restrictions that would prevent outstanding junior Supply Corps officers from entering the program. The following subsections discuss each survey question in turn.

1. How did you find out about the NACO program?

This question was designed to determine how the program has been marketed to junior Supply Corps Officers. Figure 4 illustrates responses regarding the source of knowledge about the program. As the figure indicates, current program participants cite the detailer as a source of knowledge less than previous graduates, indicating the declining role of the detailer as a marketer of the program. Seven out of 28 interns, or 25 percent, learned about the program through the detailer. Out of these seven, three provided a second response as well. Thus, this percentage could be even lower, or approximately 14 percent, if these respondents first learned about the NACO program via the second source.

The numbers also indicate that senior supply corps officers have greater influence today than in previous years on junior officers who elect to complete the intern program. Ten out of 28 interns, or 36 percent, learned about the program from their superiors. This may be an indication that most non-NACO senior supply corps officers think highly enough of the NACO program to recommend it to their subordinates. The responses gained from interviewing both NACO and non-NACO senior officers reflect

the same positive feeling about the program. All officers interviewed praised the program.



Four Current NACOs/DNACOs provided two responses each.

Figure 4. Source of Knowledge about the NACO Program.

18 out of 96 (19 percent) of NACO graduates, and 8 out of 28 (29 percent) of current NACOs/DNACOs learned about the program through other sources. Within this category, the *It's Your Career* publication had the greater number of responses, accounting for 14 out of 18 and 5 out of 8 responses, among NACO's and DNACO's respectively. This indicates a small increase over the years in the effectiveness of this publication as a vehicle for promoting the program. On the other hand, it may be that the publication is more widely read by junior officers today than in prior years.

How important is the means by which the NACO program is marketed? The researcher believes that it is extremely important. If the program is not properly advertised, many qualified officers may be foregoing the opportunity of a lifetime. The objective of the selection process is to select junior officers who have established an outstanding performance record and demonstrated the potential for a successful Naval career. To maximize the effectiveness of this process, a larger pool of applicants is needed. There would more qualified officers to choose from and a greater number of deserving officers would have the opportunity to apply for and get selected into the program.

2. In how many months did you complete or do you anticipate completing the NACO program?

This question was designed to determine the percentage of NACOs who have completed the program in less than 24 months. With the two-year experience requirement needed to achieve DAWIA Level II certification, completing the program in less than 24 months is a phenomenon of particular concern to current NACOs and DNACOs. Figure 5 illustrates the responses regarding the length of time required to complete the program.

The numbers indicate that almost half (46 percent) of the NACO graduates surveyed completed the program in 21 months or less. On the other hand, the number of current NACOs and DNACOs who anticipate completing the program in 24 months is significantly greater, 20 out of 28, or 71 percent. The remaining eight interns have official or verbal transfer orders with dates on or before the 21-month mark. Only one

out of the 20 interns who anticipate completing the program in 24 months had official transfer orders with a date at the 24-month mark.

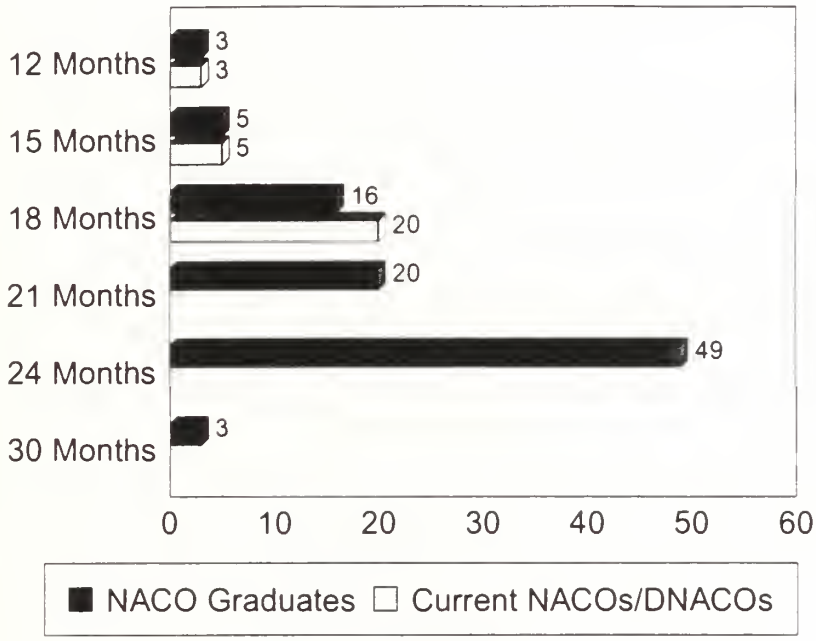


Figure 5. Time to Complete the NACO Program.

The comments provided by NACOs with official or verbal transfer orders indicate that the rotation date out of the NACO program is dependent on the availability of sea billets for follow-on department head tours. Also, comments made by personnel from the detailing shop confirmed this practice.

It appears that transferring NACOs before the specified two-year requirement is not only common throughout the 1306 subspecialty, but it is also a practice the Navy sees

as necessary. For the most part, NACOs are offered department head afloat billets with the understanding that a similar billet may not be available at a later date if they turn down the offer. With few exceptions, NACOs accept the orders and detach early, before the two year mark.

This practice raises a question concerning the original intention behind the two-year requirement stated in the NACO instruction. Was the two-year length of the program necessary to achieve a specified level of practical experience, or was it simply an attempt to structure the program in some organized manner? Since schools, regular leave, and holidays take approximately eight months of the NACO's two-year tour, detaching before the two-year mark is done at the expense of practical experience. Today, however, the two-year requirement fits nicely with one of DAWIA's experience requirements. From the detailer's perspective, the principal concern has always been to fill billets at sea. Whether the DAWIA requirements will compel the Navy to ensure that no NACO is rotated before completing the two-year program remains to be seen.

3. Where did you complete the NACO program?

This question was designed to determine whether the training is concentrated at major systems commands or at field activities. Though the number of assigned NACO billets is constant, the billets available can periodically be reassigned between major systems commands and field activities. Figure 6 shows respondent information regarding the location of NACO activity (divided among Major Systems Commands, Navy Regional Contracting Centers, Fleet Support Industrial Centers, and other commands).

The numbers reflect a slight shift from field activities to major systems commands over the years. Only 41 out of 92 (42 percent) of NACO graduates completed the program at a major systems command. Currently, 13 out of 28 (46 percent) of NACOs are assigned to major systems commands; this represents a 10 percent shift from the percentage found among NACO graduates.

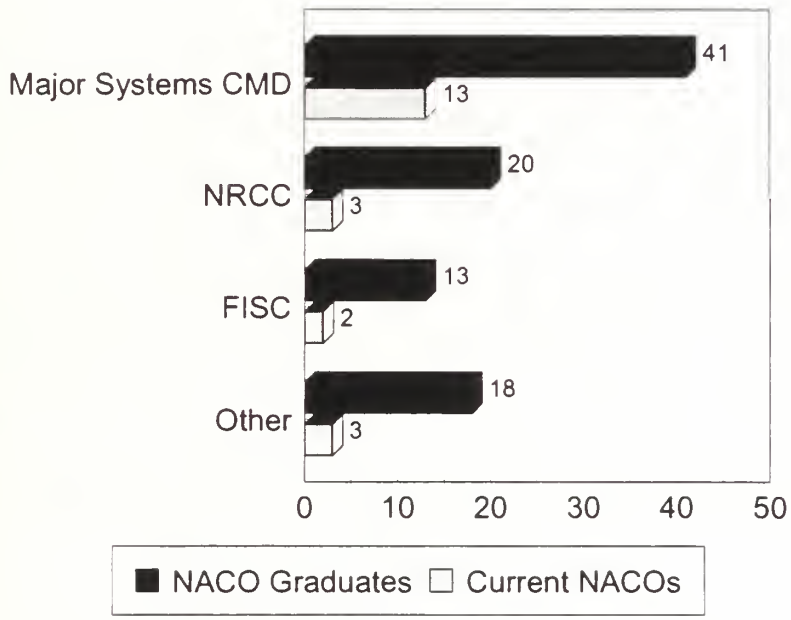


Figure 6. Location of Program Activity.

In analyzing these numbers, the researcher made the assumption that the periodic reassignment of billets was based on anticipated needs for a particular area of expertise. At major systems commands, NACOs are exposed to major systems

procurements, and develop certain skills more than they do at field activities, where smaller procurements and small purchases are processed. Most DNACOs are exposed to post-award functions, such as contract administration. Thus, graduates of the NACO program can differ substantially in terms of the type and level of practical experience attained. This should be expected, since the area of practical experience is not specified in the NACO instruction; uniformity and consistency with regard to the type and level of practical experience is minimal.

Exposing NACOs to any government procurement system is an educational experience that most would remember for a long time. But in today's downsizing environment, it may be more appropriate to specify some functional areas among the OJT objectives that would correspond to procurement reforms currently under consideration. The point made by some senior officers is that it is much more difficult to insert a NACO who has had field experience into a major systems command than it is for a NACO with major systems command experience to effectively function in a field activity.

4. When did you complete the formal training courses?

The purpose of this question was to determine when, if at all, the mandatory training courses were completed. Some of the courses, such as Contracting Fundamentals (CON 102) and Government Contract Law (CON 201) can facilitate the learning process if they are introduced before or shortly after starting the program. Eight out of ten senior contracting managers interviewed believe this to be the case.

The results show that 80 percent of the NACO graduates surveyed completed the Contracting Fundamentals course before starting the program, and 18 percent completed it within the first six months of the program. However, only 38 percent of the current NACOs have completed the course before starting the program and 52 percent completed it within the first six months. With DNACOs, the percentages are 57 and 43, respectively.

Only one out of 124 current and former program participants surveyed completed the Government Contract Law course before starting the program. During the first six months, 35 percent of NACO graduates and 19 percent of current NACOs completed the course. Nearly half of all surveyed, 46 percent of NACO graduates and 62 percent of current NACOs, completed the course during the second half of the first year of the program.

These numbers indicate a shift in the timing of CON 102 and CON 201. Today, fewer NACOs have the opportunity to complete these training courses, which are fundamental to the understanding of government contracting, before or shortly after starting in the program. Currently, there are two NACO interns in a major systems command who have been in the program for approximately four months and have not taken a single course in contracting.

As explained by a senior Supply Corps detailer, funding for training enroute was previously provided by the Navy Supply Corps, Office of Personnel (NAVSUP-OP). Today, there is no funding available for training enroute to a new command unless the

receiving command provides the funding. Thus, training enroute, or as in this case, before reporting to start the NACO program, is gradually becoming the exception rather than the standard.

With full implementation of DAWIA, competition for training courses, especially the mandatory ones, is becoming more intensive than ever before. NACOs now have to compete head to head with civilian trainees to be included in the training quotas. Despite the fact that NACOs have limited opportunities to attend these courses, due to their compressed schedule, NACOs do not have priority for the assignment of training quotas. As reflected in the surveys, most current NACO program participants are preoccupied with this predicament. They cannot take the training courses that provide them fundamentals for the contracting field before reporting to the command designated for initial OJT. Once they are in the program, they have to struggle with the possibility of not being able to complete the courses at a time that is most beneficial to themselves and the command.

5. While in the Program, in Which Areas of Contracting Did You Complete the On-The-Job Training (OJT) and How Extensive was the Training Received?

This question listed 26 areas of training that NACOs were asked to evaluate. Appendix D lists the responses for all 26 areas.

Although NAVSUPINST 1541.1 does not delineate specific functional areas to which NACOs should be exposed, most of the basic procurement functions appear to have been covered effectively. Areas where the most common response was "Extensive

Training Received" include: Issuance of Request for Proposals (RFPs) (56 out of 95); Preparation of Commerce Business Daily (CBD) Synopsis (55); Preparation of Justification and Approval (J&As) (60); Contractor Proposal Evaluation (56); Cost And Price Analysis (48); Preparation of Business Clearances (52); Conducting Negotiations (48); Contract Draft and Preparation (50); Processing Modifications (61); Small Purchases (29); Preparation of Statements of Work (39); and Source Selection Procedures (37).

Areas where most NACOs responded with "Received Adequate Training" include: Issuance of Invitation for Bids (IFBs)(40); Handling Mistakes in RFPs and IFBs (36); Handling Mistakes in Proposals and bids (35); Defense Contracting Audit Agency (DCAA), Defense Contract Management Office (DCMO) and Administrative Contracting Officer (ACO) Interface (38); Small Business and 8(A) Provisions and Procedures (37); Progress Payments (40); and Handling Procedures for Bid Opening/Safeguarding (36).

Areas where most NACOs responded with "Received Little Training" include: Constructive Change Avoidance (36); Spares Contracting (26); Termination for Default or Convenience (D/C) (34); Warranty Provisions (41); and Engineering Change Proposals (ECP) & Value Engineering Change Proposal (VECP) Evaluation And Negotiation (42).

Areas where most NACOs responded by selecting "Received No Training At All" include: Research and Development Contracting (40) and Major Weapons Systems Contracting (32). These numbers correlate somewhat to the number of NACOs who were

assigned to activities other than major systems commands and Naval Regional Contracting Centers (NRCCs). In other words, it is to be expected that participants gain no experience in functions that are not performed at the activity to which they are assigned.

6. Would you say that completing the NACO program was a rewarding experience?

This question was designed to determine what NACOs think about the experience of the NACO program. Table III lists the breakdown of responses. Most of these responses were accompanied by written comments, 96 out of 124, or 77 percent. These comments are provided in Appendix G.

TABLE III. RESPONDENTS CHARACTERIZING THE NACO PROGRAM AS "A REWARDING EXPERIENCE".

	NACO Graduates	Current NACOs	Current DNACOs
A. Strongly disagree	5	2	
B. Disagree	3		
C. Neither Agree nor Disagree	1	1	1
D. Agree	29	5	4
E. Strongly Agree	58	13	2

After reviewing the comments, the researcher determined that they can be separated into two distinct groups: those NACOs who had a somewhat negative experience and those NACOs who had a positive experience. Responses A, B, and C can be grouped into the negative experience group and D and E into the positive experience group. Combined, 13 out of 124 (10 percent) of NACOs had a somewhat negative

experience, while 111 out of 124 (90 percent) of NACOs think positively of the NACO program.

Some of the comments that stand out are those that mentioned problems with the FITREPs; problems with commands using NACOs to cover shortages of personnel; problems with DNACOs regretting their assignments to DLA; problems with being able to achieve Level II DAWIA certification; positive experiences with the UVA capstone course; and how invaluable the experience has been to officers in other career fields and in their professional development as a Supply Corps officer. These issues are addressed individually in the next paragraphs.

FITREP Concerns -- The two comments that raised questions about fitness reports are the following (the number in parenthesis indicates the number of similar responses):

> I enjoyed the courses and OJT but my Officer Fitness Reports (FITREPs) suffered because I was not involved in the day to day operation of the command. For example: I was selected as the employee of the quarter for the contracting department, yet I received a recommendation for regular promotion because I did not have enough face time with the Commanding Officer. Thus, my career may suffer as a result of my NACO tour. (1)

> Yes, I learned a lot. The drawback was that at my command, it was not career enhancing. Other lieutenants were in higher visibility positions and received better FITREPs because of it. There were two of us at this command. It would have been nice to have a "mentor" or someone to take an interest in us to ensure we received the training and got the visibility we needed to get good FITREPs. (1)

NAVSUPINST 1541.1 states the following regarding fitness reports:

> Senior managers have a special responsibility for their NACO's professional development, as acquisition contracting managers, and as Supply Corps officers. It is recognized that the special nature of this program, and the number of training courses that are required, make it extremely difficult to equitably compare a junior officer who is performing in a single specialized field with another who may be serving in several direct mission support capacities. However, senior managers must take special actions to ensure that NACOs receive the challenges and responsibilities inherent in their special assignments, as well as being equitably evaluated with their contemporaries in the Report on the Fitness of Officers.

The instruction makes it clear that evaluators must recognize the unique aspects of a NACO's training environment when preparing the officer's Fitness Report. The training environment can be quite unique for each NACO. This is partly because of the length and timing of training courses, and partly due to the nature of the OJT component, which can take NACOs outside the command for weeks at the time. Thus, NACOs are limited to the visibility that the training program permits. If this is overlooked, the NACO's Naval career may be compromised, and the end result would be negative for both the Navy and the individual. In today's environment, where a single negative grade or remark can have long lasting effects in an officer's Naval career, a single unjustified incident is one too many.

A related issue, also mentioned in one of the responses, is the importance of having a mentor, someone to provide guidance and encouragement who can consider the interest of the intern. Is it really necessary to assign mentors to the interns? After all, NACOs are proven performers. As stated by one of the senior officers interviewed, "The officers selected for the program are self-starters. You can actually predetermine success." However, the majority of those interviewed support the idea of providing

mentors to both military and civilian interns. The short-time horizon of the NACO program requires the involvement of a mentor in order to maximize the efficiency and effectiveness of the program.

Stop-gap Problem -- The stop-gap problem -- using interns to fill temporary or permanent vacancies created by personnel shortages -- is specifically addressed in the NACO instruction. The following three comments are examples of what can happen in some commands:

> The command used NACOs where shortages existed. This did not always support the NACO and sometimes created an environment not conducive to good training. (2)

> The command used NACOs as fire fighters. The only reason I received the formal training was because it was required. I did not learn near as much as I should have and I had to fight to get what little training I did receive. (1)

> I have thoroughly enjoyed the opportunity to develop a subspecialty early in my career. However, the downsizing in civilian personnel has hindered my training to just the mandatory course level. I was told by immediate military and civilian supervisors that the office workload over a declining number of contract specialists would make it impossible for me to pursue Level II DAWIA certification. I have learned a great deal more via OJT, but I am concerned that not achieving Level II certification will put me behind my military and civilian peer group. (1)

The instruction says that NACOs are not to be considered as "ready resources for use in various stop-gap situations". The comment that "the command used NACOs as fire fighters," is a typical example of a situation where a command disregards or is not aware of the intent of the NACO program, and instead utilizes NACOs to serve the command's own agenda. The third comment implied that because of civilian personnel

cuts, the increased workload would not permit the NACO to achieve Level II DAWIA certification. This is effectively saying that the NACO would pick up a share of the command's workload at the expense of fulfilling the NACO program objectives.

Can this be prevented? With the downsizing expected to continue in the future, efforts to discourage this practice may not be effective. One reason is that the need to do more with less is becoming common throughout the DoD.

Furthermore, the nature of the OJT places the NACO in a situation where he or she feels committed to support the command's agenda. As members of the command's contracting team, NACOs are expected to meet deadlines and complete assigned tasks in the same way as others on the team. The commitment NACOs make to support the organization's agenda can encourage commands to overlook the intent of the NACO program and instead focus on what is best for the organization. While this result comes from an individual's decision regarding commitment, this does not mitigate the damage done to the individual's career, or to the Navy's reduced ability to fill contracting billets with fully qualified officers.

Preoccupation with DAWIA Certification -- In addition to one of the comments presented above, the following statement raises an issue that is very much in the minds of NACOs currently going through the program:

> When I first arrived at this command, I expressed concern about getting enough experience in all areas of contracting, i.e., FFP, CPFF, issuance of RFPs, negotiation, etc. I was told I'd be in one section for a year to learn the basics of contracting with straight forward FFP type contracts in the price range of $25K-$500K. Also, I was supposed to knock out a majority of required training. Twelve months later I had completed one required course and was told that they

would move me to another section soon. Now, 19 months later I'll complete my tour in the same section I started in. As far as training is concerned, I received orders to one class through the "system." All other training required me to call the training liaison at the site. Finally, at the end of my tour, I get orders to attend one of the mandatory courses, but the problem is that these orders conflict with my detaching orders. Now, I am detaching soon without achieving Level II certification.

During the researcher's visit to the University of Virginia's Graduate School of Business in January 1994, most of the 23 NACOs attending the Business Resource Management Course (BMRC) expressed frustration with the process of obtaining quotas for the mandatory training courses. Most NACOs felt that indifference on the part of the command's training coordinator was the key to the problem. The majority of training coordinators are civil servants who coordinate a broad variety of programs, and may or may not understand the specific goals and requirements of the NACO program.

There could be several other reasons why this is happening, but the point is that burdening a NACO with worry over whether or not a training slot will be available can be detrimental to the effectiveness of the program. The quality of training is enhanced when NACOs have minimum job-related problems. Worrying about when or if training requirements can be accomplished is certainly not conducive to an effective training environment.

The completion of a training course at the end of the NACO's tour raises a question about the ultimate objective of mandatory training courses. Since the intent is to get the benefits of combining OJT and course work together in one program, one must

question the effectiveness of training courses that are provided at the end of the NACO's tour or, as was the case with one recent DNACO graduate, after the tour.

DLA Regret -- Two out of seven DNACOs surveyed expressed having second thoughts about their assignment to a DLA activity; one intern expressed reservations about the organization and effectiveness of the DNACO program; two interns were happy with the program; and two did not provide comments. Some of these comments are paraphrased below:

> There are NACO and DNACO positions in this program. I understand NACO billets are at procurement commands while DNACO billets are at DCMAOs. DCMAOs are responsible for the administration of contracts executed by most procurement commands. Had I known the difference between the two, I would not have accepted orders to DCMAO. (1)

> I have enjoyed the program immensely. However, if I had to do it over again, I would avoid DLA. My training has been exclusively small purchases. (1)

> The DNACO program is not as organized as the NACO program is. There is no DNACO instruction that I know of; I have been using the NACO instruction instead. A schedule of training courses that are offered throughout the year is not available. There is no coordination of when courses should be taken; I completed the Government contract law course before I had the opportunity to complete the basic contracting course. (1)

The data collected looking into the DNACO program was obtained from seven surveys, three follow up telephone interviews, and a personal interview with the DNACO coordinator. A telephone interview was also conducted with one DNACO civilian supervisor. While the seven surveys represent about 70 percent of DNACOs currently

going through the program, this number only represents about 14 percent of those officers who have completed the program since the mid 1980s.

The interview with the DNACO coordinator revealed that the job was a collateral responsibility that changed hands regularly, rather than a full-time job. Furthermore, the researcher was informed that the DNACO instruction was still in the process of being drafted.

The interview with the DNACO supervisor revealed that little or no guidance is provided to supervisors that specifically addresses the responsibilities as a DNACO supervisor. There are no written instructions that would tell a supervisor his or her role in the development of the intern. Similar interviews with NACO civilian supervisors yielded the same responses.

Professional Development in the Supply Corps -- A byproduct of completing the NACO program is the sharpening of analytical skills and the development of technical skills that are also essential in many other Supply Corps core functions. The following comments regarding the NACO program are from officers who are not on the contract management career path:

> Has been key to success in the Supply Corps and opened many doors along the way. It makes an officer uniquely qualified to provide assistance in numerous billets if you utilize your background and stay current.(1)

> The NACO experience taught me about the business world which has helped immeasurably in my Supply Corps professional development. (1)

Benefits to Other Career Fields - Looking back on it, the NACO tour proved to be very rewarding in terms of the experience I received and the people I met. However, as a NACO intern, it takes a lot of initiative and perseverance to ensure you get your OJT, required courses and rotation.(3)

I have continued to use the experience gained as a NACO in nearly all other subsequent non-contracting assignments. (1)

The NACO curriculum was challenging, courses interesting and to the point. I have used the training often throughout my career even though I have not had an official follow-on procurement billet assignment since 1976. (2)

Establish a framework and a perspective which I have used repeatedly during my non-contracting career. Provided basis for fair and reasonable determinations, regulatory insight, and ability to see both sides of the "story." Ingrained forever into my psyche principles of proper documentation, "4 corners doctrine," and never to be arbitrary. (1)

I had a very successful and informative tour. What I learned as a NACO was very helpful in my follow-on tours even though I did not fill contracting positions. Each of my logistics and financial jobs required some aspect of my NACO training, including such functions as: preparing statements of work, evaluating proposals, preparing J&As, conducting negotiations, small purchases, and spares contracting. (1)

Served as foundation for a career in contracts that carried over into private/civilian sector as well as Naval Reserves. (1)

The UVA Capstone Course -- This program received compliments from several NACO graduates (who provided comments without being asked about the course). For this reason, a third written survey was conducted to specifically address the course. The results of this survey are discussed in Section D, below. The following are some of the comments provided by NACO graduates under this question:

Outstanding tour! The extensive experience I received in contracting was invaluable in all respects. The Business Resource Management Program at Darden was of particular value. It provided me with a great deal of insight and confidence to tackle several politically sensitive and visible contracts. Much of what I learned from my NACO tour has been successfully applied at my current position as an afloat Supply Officer, Department Head. Specifically, the use of common sense business judgment to lead the department in a proactive manner. Combined with the TQM skills I obtained through my own reading, my NACO tour has been a tremendous asset. (1)

The program was particularly valuable in providing a strong business knowledge base. My understanding of overhead and fixed vs. variable cost structure has proven invaluable in my career. The UVA course was the most rewarding part of my training. (2)

My NACO tour was one of the most rewarding I've experienced to date. I was quickly indoctrinated into the busy schedule of the contracting shop and was working on major systems procurements in a short period of time. The out-of-office training courses, especially the BMR course at UVA were extremely worthwhile experiences. (1)

Positive comments about the program were provided by respondents with both business and non-business backgrounds. For some, it was a welcome refresher; for others, it was invaluable education. A substantial number of comments were provided about the UVA course under Question 7 as well.

7. Please Rate the Following Areas of the NACO Program: Training Courses, On-The-Job Training, Job Rotation, Job Requirements/Workload, Guidance and Supervison/Mentor, and Stimulating Interest and Professional Development.

For this question, there were four responses to select from: (A) Not Effective All, (B) Marginally Effective, (C) Effective, and (D) Extremely Effective. Appendix D provides the detailed rating results. All areas were rated effective to extremely effective,

with "OJT" and "Requirements/Workload" receiving the highest percentages, while Job Rotation and Guidance/Mentor received the lowest. The other two areas fell in between these two groups. Among the responses, C and D can be combined to reflect a positive opinion, while A and B can be combined to reflect a negative opinion.

Out of 122 responses, 33 NACOs (27 percent) rated OJT "Effective" and 78 NACOS (64 percent) rated the courses "Extremely Effective", for a combined total of 111 (91 percent). Job Requirements/Workload was rated "Effective" by 60 NACOs (49 percent), and extremely effective by 49 NACOs (40 percent), for a combined total of 109 (89 percent). The training courses split the ratings between "Effective" and "Extremely Effective", 66 percent and 27 percent respectively, for a combined total of 88 percent. Stimulating Interest and Professional Development was rated "Effective" by 42 NACOs (34 percent), and "Extremely Effective" by 61 NACOs (50 percent). The Guidance and Supervision/Mentor area received the next to the lowest rating, with a combined percentage ("Marginally Effective" and "Not Effective at All") of 79 percent. 34 NACOs (28 percent), rated it "Effective" and 62 NACOs (51 percent), "Extremely Effective". Job Rotation received the lowest rating, with a combined percentage of 69 percent--39 percent "Effective" and 30 percent "Extremely Effective". The comments that accompanied these responses are paraphrased in Appendix H. Each of the five areas is addressed in the next paragraphs.

Training Courses -- In this area, the UVA capstone course received the most favorable comments, while the cost and price analysis course received the least favorable

comments. Some NACOs believe the courses should be front loaded. Other NACOs felt the courses were too slow. Overall, most NACOs were satisfied with the courses. The following are some of the comments provided:

> UVA course was the best/outstanding/the highlight. (8)

> UVA course is way overrated. Instead, NACOs should be taking the advanced courses in subcontracting, contract administration, and incentive contracting. (1)

> Basic was very good. Cost and price analysis was very elementary. (1)

> MDAC (Basic) was very effective. I was glad I took the course before reporting to the command. (1)

> Cost and Price was the worst course. (2)

> Training for NACOs is incorporated into the command's training regime. This command does a pretty decent job of opening spots in classes for NACOs. However, this is not true at other commands. Often, NACOs are lower in the priority ratings. (1)

> They are difficult to schedule due to limited quotas, but the courses are great. (1)

The capstone course held at the University of Virginia's Graduate School of Business is an extremely popular program with all the NACOs. Although one out of the twelve NACO graduates who volunteered comments about the UVA program felt the course was overrated, most NACOs agreed that the course is extremely effective in

providing a foundation and insight into the private enterprise system. Graduates of this course acquire a fundamental understanding and knowledge of American management practices, strategy formulation, operational and financial decision making, management control activities, practical business analysis skills, and quantitative methodologies, which are useful in the operations, marketing, and controllership activities of business.

In today's complex business environment, a contracting officer should be able to respond rapidly and effectively to complex analyses and decisions which confront his or her daily acquisition and contracting activities.

On-The-Job-Training -- This area received a good mix of favorable and unfavorable comments. The following are some of the comments provided:

> More experienced negotiators, both civilian and military, were more than willing to offer their time to train NACOs. (1)

> Received a $100K warrant three weeks after reporting to work. (1)

> Since programs are so large at the Systems Command level, NACOs tend to get into only a few different programs and the types of buying are not really that different. (1)

> OJT was self driven. I found the civilians willing to give me as much work/responsibility as I was willing to assume. (1)

> Ineffective. It was sink or Swim. (1)

> Sink or swim is the best kind. (1)

May be just the luck of the draw, but there wasn't much of it. (1)

Although the comments were mixed, this area received the highest effectiveness rating by both, NACO graduates and current program participants. Most comments complimented civilian supervisors for their expertise and willingness to provide assistance when requested. There was not a single negative comment concerning these individuals. The majority of NACOs held their civilian co-workers and supervisors in high regard.

Job Rotation -- This area received the lowest effectiveness rating, as the comments reflect:

While I did not rotate, the work assignments did change as my skills increased. (2)

Brief rotations for orientation are all right but you have to be permitted to remain in a job to maximize hands-on experience. (1)

Two different jobs in two years at Headquarters, the best you could hope for given the long lead-time for major systems acquisitions. (1)

Rotated through four different divisions (each with different contracting functions) in a two-year period. (1)

Remained in the same contracts division, would have liked to have been exposed to other procurement programs. (1)

I did not rotate. (6)

I was able to work on two major programs during my 24 months at the command. (1)

The job rotation should be more well balanced. I felt I spent too much time in small purchases. (1)

The overall rating and the above comments indicate that job rotation is the exception and not the standard. With the relatively short period of time that is allotted for OJT, it may be that the emphasis should be placed on learning a set of particular functional skills instead of rotating jobs. With few exceptions, most procurements can expose NACOs to several aspects of contracting that can be applicable to a variety of situations.

The researcher questions the assignment of interns to small purchase activities for extended periods of time, as was the case with several of the NACOs surveyed. The small purchase section of a contracting activity is regularly a "sweatshop" that processes nearly all procurements in the same manner. Thus, a month in a small purchase shop should be sufficient for NACOs to gain an understanding of and appreciation for small purchase procurements. Beyond a month, the intern is no longer being trained, but used as a resource to ease the workload of the shop. Again, this goes back to the command's ignorance or misunderstanding of the Navy Instruction regarding the NACO program. Based on data gathered for this study, the intent of the program is not to specialize interns in small purchases procurements, but rather to expose interns to contracting aspects of large procurements.

Job Requirement/Workload -- This area received the second highest effectiveness rating. The following are some of the comments provided:

About right. Started out slow...workload increased commensurate with experience. (1)

Good. I was a work-aholic and made a significant number of buys. (1)

Good mix: RFP/services/hardware/R&D/cost and FFP actions. (1)

I was given meaningful work not just busy work. (1)

(There were no negative comments regarding workloads).

Guidance and Supervision/Mentor -- This area received the next to lowest rating, with only 51 percent of the NACOs surveyed rating it "Extremely Effective". Among those NACOs who provided comments, 13 out of 37, or 35 percent, did not have mentors. Civilian supervisors received the greatest number of positive comments. The following are some of the comments provided:

Had none. Picked up someone on an informal basis. (1)

Typically good...plenty of advice from supervisors... no mentor program per se. (1)

Mixed. I had a good civilian supervisor but without sponsorship by senior chops I would have been a little lost. (1)

Did not get much of it. (2)

Basically, I ran my own program. (2)

I was given no guidance/supervision/mentor. (1)

Outstanding. The supervisors I worked with were outstanding in helping me with training and helping to complete assignments. (2)

There was none. All NACOs at the Command were on their own. (2)

It was outstanding. The program was taken seriously by management. (1)

I was basically left on my own by the military commanders. I took it upon myself to ensure I received training with the civilian contracting officer (GS-9) which I was assigned with. (1)

I was lucky to have had a terrific Captain; I can't stress enough the importance of having a mentor. (1)

My civilian supervisor was outstanding/exceptional/the absolute best/had one of the best. (8)

The NACO instruction assigns the responsibility of serving as mentor to commanding officers, but it allows the CO to assign that responsibility to one of his or her designated officer representatives. Regardless of the caliber of interns brought into program, it is common knowledge among educators and Corporate Chief Executive Officers (CEOs) that mentors can play a significant role in the success of intern programs of this nature. Interestingly, the researcher received an unsolicited phone call in which a program participant wished to stress the importance of having access to a military mentor.

A mentor can make the initial transition into the program a pleasant experience. This is important, since uncertainty can aggravate the anxiety most people experience when starting a new and unfamiliar job. Thus, a proper indoctrination into the program can improve the chances of making the program a rewarding experience. Throughout the two years of the program, mentors can also serve as confidants who provide reassurance and build confidence, and supervisors who serve as role models.

Stimulating Interest and Professional Development -- Although few comments were provided in this area, comments in other sections of the surveys correlate with the "Extremely Effective" rating assigned by 61 NACOs (50 percent).

8. Please Select the Appropriate Statement Regarding Graduate Education.

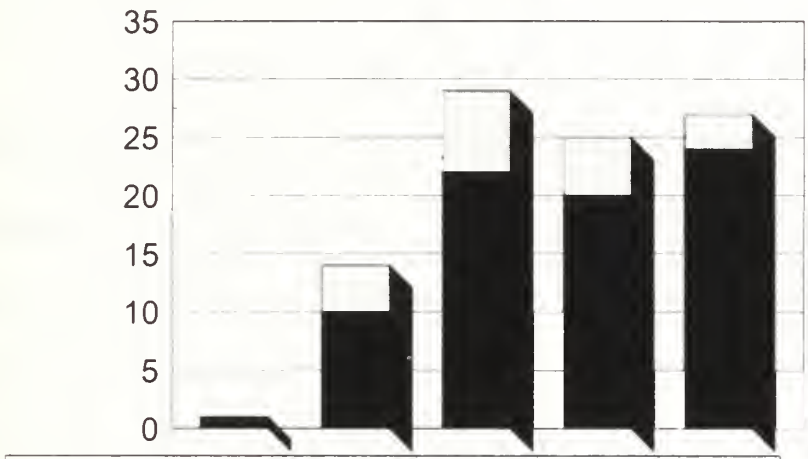
This question was designed to determine how many NACOs have completed a graduate education, and in particular, how many have completed the 815 Graduate Education Program. From the numbers above, 82 out of 96 NACOs (85 percent), have completed a graduate education. Of those NACOs who have completed graduate educations, 19 out of 82 (23 percent), received degrees in Acquisition and Contract Management. Over one half, 43 out of 82 (52 percent), received master's degrees in business administration from civilian institutions. Table IV lists the relevant statistics.

TABLE IV. GRADUATE EDUCATION AMONG RESPONDENTS	
Attended the Naval Postgraduate School (NPS), received MS.	31
815 Program	19
837 Program	9
827 Program	2
Other	1
Attended graduate school at non-military institution	51
MBA	43
MS	4
810 Program	4
Did not attend graduate school but intend to do so.	9
Do not intend to attend graduate school	3
I am scheduled to attend the NPS	4
I am scheduled to attend another school	2

From this information, it might be concluded that only about 23 percent of NACO graduates have been pursuing a contract management career. This is not the case, however, because many occupants of 1306P-coded billets have completed their graduate educations at civilian institutions, reflecting the Navy's tendency to overlook the P-code requirement in the interest of effectively filling billets. That these individuals are placed in P-coded billets indicates that they have obtained considerable contracting experience. Even though such an individual has not completed the NPS 815 program, it is apparent that he or she has considered contract management to be their primary career field.

9. Please List Your Career Path Starting With the NACO Tour Through Your Current Assignment. Include Graduate Education and Any Other Professional Education. Also, Indicate Whether or Not the Billet is (was) a Contracting Job.

Those officers who are in a different career field have been segregated from officers in the 1306 career path. Figure 7 illustrates the breakdown of respondents into 1306 and non-1306 career paths. In the paragraphs that follow, the information on career paths is summarized.



	Flag Officers	Captains	Commanders	Lt. Commanders	Lieutenants
In 1306 Career Path ■	1	10	22	20	24
In Other Career Path □		4	7	5	3

Figure 7. Survey Respondent Career Paths

Flag Officers -- The first graduate of the NACO program is today a Rear Admiral Select, 25 years after completing the NACO program.

Captains -- On the average, Captains in the 1306 career path completed four contracting tours, five completed senior supply officer sea tours, and all earned graduate degrees. Those in other career fields avoided contracting billets throughout their careers.

Commanders -- Commanders in the 1306 career path have completed an average of two contracting tours (ranging from 1 (6 CDRs) to 5 (1 CDR) contracting tours). Ten commanders have completed a senior supply officer sea tour. Commanders in other career fields avoided contracting billets throughout their careers and do not intend to seek contracting billets. All but one have graduate degrees.

Lieutenant Commanders -- Lieutenant Commanders in the 1306 career field include those NACOs who have completed at least one contracting tour and those NACOs who have not had the opportunity to get assigned to a 1306 billet but who intend to pursue the contract management field. Specifically, 9 have completed 1 tour, 3 have completed 2 tours, and 8 have not completed any tours but intend to do so. All but three have graduate degrees.

Lieutenants -- Lieutenants in the 1306 career path include 10 NACOs who, after the NACO program, have completed one contracting tour, or are currently in a contracting billet, or have completed the 815 graduate program; 12 NACOs who have not had the opportunity to get assigned to 1306 billets but intend to pursue the career field; and two NACOs whose comments indicate their intentions to pursue contracting careers

but without explicitly saying so. The three lieutenants not in the 1306 career path have not been in contracting billets, and do not intend to pursue the career field. Ten do not have graduate degrees, 6 are scheduled to attend graduate school, 3 intend to earn a graduate degree, and one is separating from the Navy.

10. Lack of Assignment to Contracting Billets

Question 10 lists ten possible reasons why NACO graduates have not been assigned to contract management billets. This question was also asked of NACOs and DNACOs currently in the program. To facilitate the discussion, this question has been divided into three parts: 10a, 10b, and 10c. The first --10a-- addresses NACO graduates who are not in the career path and who have no intention of pursuing a career in contract management. Part 10b addresses NACO graduates at the O3 and O4 grades who have not had the opportunity to get assigned to contracting billets but who intend to pursue a career in contract management. Part 10c addresses the career intentions of NACOs and DNACOs currently in the program.

10a. If after completing the NACO program, you did not seek a career in contract management, indicate the reason(s) that influenced your decision. This question applies to those 19 NACOs who are in other career fields and who have no intentions of pursuing a career in contract management.

Informal conversations with several junior 1306 officers gave the initial impression that the detailing system was the primary reason NACOs were not progressing along the contract management career path. However, the survey results tell a different story. The primary reason is more likely to be a lack of interest in pursing this

field of work, and the second reason is more likely to be NACOs' reluctance to specialize early in their careers. Table V lists the breakdown of survey responses.

TABLE V. RESPONSES TO QUESTION 10A.[1]

Reluctant to specialize early on in my career.	5
No contracting billets have been available when changing duty stations/negotiating for orders.	2
Detailer discouraged specialization.	2
Detailer gave me "the needs of the Navy come first" line.	2
My boss recommended a different career field.	1
Contract management did not appeal to me.	8
I had a very negative experience with the NACO program.	1
I did not feel I was prepared to return to contracting.	1
I like contracting but I did not make an effort to return to contracting.	3
I am not in contracting now but I do intend to return to contracting.	0

[1] Some survey respondents provided more than one reason.

When combining the responses for the three possible reasons related to the detailing process -- (1) no contracting billets were available when rotating, (2) the detailer discouraged specialization, and (3) use of "the needs of the Navy come first" line -- the detailing system barely accounts for 25 percent of the responses. Thus, it can be concluded that the detailing system has no major influence on NACOs not seeking a career in contract management.

However, this conclusion can be misleading, since the detailing system can affect the flow of NACOs into the career path by merely failing to inform them about contracting billet opportunities. Another conclusion may be that the detailing system's lack of proactive effort to ensure an adequate flow of NACOs into the contract

management field, significantly affects the number of NACOs who actually end up in contract management.

10b. If after completing the NACO program, you did not seek a career in contract management, indicate the reason(s) that influenced your decision. This question applies to those NACOs who have not had the opportunity to work in a 1306 billet but who intend to do so.

Table VI displays responses to item 10b. While two respondents of the 21 NACOs to whom this question applied did not indicate a reason, others provided more than one. Sixteen of the individuals indicated that they intended to return to the contract management career field. Whether this means that they have intentions to eventually seek a full career in contract management is difficult to say. Of additional interest, is that only three of the responses indicated concern with the issue of specialization. In today's environment, where promotion boards are retiring those who have specialized, being labeled a specialist can be risky.

TABLE VI. RESPONSES TO QUESTION 10B[1]

Reluctant to specialize early on in my career.	3
No contracting billets have been available when changing duty stations/negotiating for orders.	5
Detailer discouraged specialization.	1
Detailer gave me "the needs of the Navy come first" line.	0
My boss recommended a different career field.	0
Contract management did not appeal to me.	0
I had a very negative experience with the NACO program.	0
I did not feel I was prepared to return to contracting.	0
I like contracting but I did not make an effort to return to contracting.	2
I am not in contracting now but I do intend to return to contracting.	16

[1]Some survey respondents provided more than one reason.

The availability of contracting billets appears to be an issue for this group as well. Five out of 19 NACOs (26 percent), have not had a contracting tour because no contracting billets have been available when they were rotating into new jobs. Assuming these NACOs have a strong desire to work in contract management and that no opportunities for assignment to contracting billets have been provided, it may be appropriate for the Supply Corps to examine the detailing system for alternatives that would ensure a greater number of NACOs the opportunity to complete at least one additional contracting tour.

10c. After completing the NACO program, do you intend to seek a career in contract management? Indicate the reasons that may influence your decision.

This question applies to the 21 NACOs and seven DNACOs currently in the program, but some of the respondents provided more than one reason. The responses to this question can be grouped into two categories, (1) those who expressed the intention of pursuing a career in contract management, and (2) those who feel it necessary to avoid specialization. Nearly half of the interns (43 percent), indicated in one or more response that they intend to seek a career in contract management, while 14 out of 28 interns (50 percent), feel the need to become generalists, or in other words, "jacks of all trades". Table VII displays respondents' intentions to pursue a career in contract management.

The issue of specialization is of greater importance to these interns than to the NACO graduates discussed under question 10b. This is partly because these interns are in positions where the probable outcome of promotion board action can be accurately predicted on the basis of currently observed trends. A number of their military

supervisors are leaving the Navy--some of them are being asked, others are volunteering. Those who are volunteering or leaving before screening for the captain's board see no future in staying on board. As one Navy Supply Corps Commander said, "the Navy has no appreciation for the work I do, the promotion board says it all. So, why would I want to stay in. There is no future here."

TABLE VII. RESPONSES TO QUESTION 10C.[1]	
Yes. I have every intention of pursuing a career in contract management.	12
No. I intend to separate from active duty after the payback tour.	0
No. I am reluctant to specialize early in my career.	6
No. Contract management is not appealing to me.	0
No. Need to become jack of all trades.	8
No. I had a very negative experience with the NACO program.	0
No. I do not feel I would be adequately prepared to assume positions of greater responsibility in contract management.	0
Undecided.	4

[1]Some survey respondents provided more than one reason.

The purpose of this study is not to determine the impact of the promotion boards' actions on the 1306 subspecialty, but perhaps it reveals a tendency that should be reviewed in light of the goals of the NACO program. If such promotion board trends are not identified and evaluated, it is possible that an unidentified trend will lead to a future crisis in filling contracting billets with qualified, competent, officers.

On a different issue, a comparison between NACOs and DNACOs revealed that 12 out of 21 NACOs (57 percent), intend to stay in contracting, while only 1 out of 7 DNACOs (14 percent), have the same intention. This difference may be due to the different rewards of the two program. NACOs are assigned to Navy commands, where

the work and training environment is somewhat familiar. For the most part, the chain of command in these organizations includes senior 1306 officers who regularly interact with the NACOs. Furthermore, the comments suggest that the NACO program is perceived to be structured in an organized and effective way.

On the other hand, most DNACOs get assigned to organizations with little or no resemblance to Navy organizations. This unfamiliar environment may or may not be adaptable. Also, the chain of command in these organizations rarely has any 1306 officers who can interact with or serve as mentors for the DNACOs. Moreover, the DNACO program is perceived by the interns as disorganized, lacking any structure whatsoever. Dissatisfaction is bound to be more prevalent in this type of environment.

The researcher does not underestimate the importance of understanding the consequences of a poorly written pre-award document for the effectiveness of contract administration during the post-award phase of the procurement cycle. One way to bring this message closer to home is to actually work in contract administration, and DLA provides this experience to DNACOs. Contract administration is as important as contract award, but in today's continuous search for efficiency, the Navy may benefit by concentrating its limited resources and efforts in the area that can yield the greatest benefits.

The research for this study indicates that the NACO program is tailored more toward the pre-award phase of acquisition systems than to the post-award phase. It may be more advantageous for the Navy to reevaluate the objectives of the program to focus

on skills that can be most efficiently developed, in this case, skills used in the pre-award phase. It is the opinion of the researcher that the current DNACO program lacks the organization necessary for administering it as prescribed in the NACO instruction. With the limited amount of data collected on the DNACO program, a statement of this nature may seem somewhat inappropriate, as compared to a recommendation for further research. The problem is that, besides responses from questioning approximately 40 DNACO graduates, there is little or nothing to review. The DNACO instruction is currently being drafted.

11. What actions would you recommend to make the NACO program more effective?

Presented below are the most common recommendations provided by NACO graduates and NACOs currently going through the program. Out of 124 NACOs and DNACOs, 99 provided 122 recommendations. These 122 recommendations are presented in Appendix I.

The most popular recommendations concerned the issues of providing training courses before starting the program; ensuring that NACOs complete the full 24-month period; ensuring that the BRMC at UVA remains mandatory; ensuring the standardization of the OJT programs; implementing a centralized management system that takes a proactive role in ensuring that the intent of the program is achieved; ensuring intern split tours between commands, including DLA activities; and ensuring that a mentor program is in place.

The following are some of the recommendations provided:

The NACO/Business Financial Management (BFM) Program Manager on the staff of ASN (RDA) needs to take a proactive role by personally interfacing/counselling the NACOs/BFM. (6)

Split tour for experience. One year at a SYSCOM, one year at a DLA ICP (DGSC, DESC...). (5)

Guarantee NACO selectees that they will attend the "basic" course enroute to their NACO duty station. (3)

Ensure that the UVA course remains mandatory. (3)

Do not allow tight budgets to cut into the training programs. Specifically, we need to keep the BRMC at UVA fully funded for NACOs. Currently, funding for this course is in jeopardy. (2)

Ensure active senior officer interest/involvement in the NACO development tour. (2)

Ensure a full 24 months is available for NACO tours (avoid short tours). No early rotations. (3)

Strong NACO coordination at each activity to help with obtaining courses. (2)

Several NACOs recommended centralizing the management of the program and/or called for more active involvement on the part of the program's sponsor, ASN(RDA). From the survey results and informal conversations, there appears to be a general consensus that a lot of the problems with the program could be avoided if ASN (RDA) takes a more proactive role in ensuring that the program is properly executed.

Problems with officer Fitness Reports, using NACOs as ready resources to off-set personnel shortages, getting and properly timing training courses, early rotation out of the program, the type and quality of OJT, and meeting Level II DAWIA certification are issues that a central authority, monitoring the progress of 40 interns, might be able to prevent.

C. FOLLOW-UP INTERVIEWS

After receiving the completed surveys and reviewing the information provided, the researcher identified several areas in which to seek additional information. Ten follow-up interviews were conducted with seven NACOs and three DNACOs currently in the program who had also completed the surveys discussed above. Interns with non-business undergraduate degrees were randomly selected for follow-up telephone interviews.

The purpose of these interviews was to determine (1) whether or not an indoctrination or orientation program is in place; (2) whether or not their supervisor had any kind of written instruction that spells out his or her role as a NACO supervisor; (3) whether or not the NACO has been asked to provide feedback about the program; and (4) whether or not the NACO has been attending night classes in order to meet the DAWIA education requirement for membership in the APC.

1. Indoctrination/Orientation Programs

Only one out of the ten interns had a semi-formal indoctrination conducted by the most senior 1306 officer in the command, in this case, a Navy Supply Corps Captain. The other nine interns, or 90 percent, had nothing resembling an indoctrination. In one

instance, a DNACO intern struggled for the first few weeks before being able to get a NACO instruction that provided information about the program. Orientation can aid the intern in getting settled into the program. Understanding the administrative aspects and objectives of the program and knowing what they can expect from the program and what will be expected of them can help put the interns on the right track. In most training programs or special assignments, an orientation segment presented in the introduction phase should be a standard procedure.

2. NACO Supervisor Instruction

Comments regarding the organization of the program made by several original survey respondents led the researcher to inquire further about the level of supervision and/or instruction being received by current program participants. Not a single intern believed his or her supervisor had an instruction that specifically addressed the responsibilities of a NACO supervisor.

To gain another perspective on the issue, the same question was put to three actual supervisors. Each of the three stated that they were not in possession of such an instruction. Accordingly, most NACO supervisors performed NACO supervisor duties in the manner they deem appropriate. Thus, inconsistency and disparity in the scope and quality of on-hands practical experience is inevitable. It could be argued that, because of the way in which the program is structured, any standardized NACO supervisor instruction would only restrict the type and level of training the interns can be exposed to,

and would therefore prove detrimental to their development and the objectives of the program.

3. Requests for Feedback

During the past year, four out of the ten current interns have been contacted by the office of the ASN (RDA) to conduct administrative business and to find out how things were going with the program. The calls were not made specifically to request feedback about the program. None of the ten interns has received a formal feedback request from any organization, either ASN (RDA), DLA Headquarters, or their individual commands.

One of the recommendations made by a NACO graduate was to conduct surveys more often, such those used in this study. This level of detail may be inappropriate, but in some way, NACOs should be given the opportunity to provide feedback about the program. With a feedback mechanism in place, problems might not go unnoticed, and improvements could be made.

4. Night Classes

Only two interns are currently attending classes, one for personal reasons and one to satisfy DAWIA education requirements. The other eight find it extremely difficult to schedule night classes around mandatory training courses and OJT scheduled assignments.

One intern made a comment about being unable to achieve DAWIA Level II certification, either because of the education requirements or the shortening of the tour.

This statement may be indicative of the level of understanding of DAWIA's impact on future contract management assignments. Although there was no question asked concerning how well interns understand the impact DAWIA may have on their future job assignments, perhaps there should have been. NACOs should be fully aware of DAWIA's statutory requirements if they intend to pursue a career in contract management. Relying on waivers and grace periods to get assigned to acquisition designated jobs may not always be in the best interest of the officer and or the Navy.

D. UVA/BUSINESS MANAGEMENT RESOURCE COURSE (BMRC) SURVEY

A five-question survey was completed by NACOs and DNACOs who had completed the Business Resource Management Course (BRMC) in January of 1994. The decision to conduct this survey was prompted by the significant number of NACO graduates who made comments regarding the course without being asked specifically about the UVA program.

This survey was specifically designed to obtain feedback about the BRMC from the most recent graduates; 20 out of 25 current interns, (80 percent) completed this survey. Survey results are provided in detail in Appendix E.

Question 1 asked the interns whether or not completing the UVA course was a rewarding experience. The responses are presented in Table VIII.

TABLE VIII. RESPONSES TO QUESTION 1.		
Strongly Disagree	1	5%
Disagree Neither agree nor disagree	1	5%
Agree		
Strongly agree	17	90%

17 interns (90 percent), found the BMRC a rewarding experience. The following statements are representative of the majority of comments provided (in parenthesis, B = business major, NB = non-business major):

> What an opportunity to learn! The instruction is top notch. The best teachers I've ever had. We really need to see what is going on in the private sector. I learned there is so much more than I thought went into private business. (NB)

> This is the most outstanding course I have taken in the Navy! I do not have an undergraduate business background and found the BMR course was an excellent primer into studying business. The BMR course provided an excellent introduction to the fundamental principles and current theories on business management. The experience has provided me with the confidence to pursue an MBA. (NB)

> This course was a fantastic experience. It greatly enhanced my knowledge of current business practices. Without reservation, this is the best way to understand the contractor's point of view. (NB)

> Provided some terrific insights into what our counterparts in the contracting world must face, the kind of decisions they must make. It is good to know the position of the other side. (B)

> I learned about corporate America and have a better understanding of the big picture. The class gave me a chance to take off my Government hat and put on their hat and it opened my eyes. (B)

> By far the best course of the internship program! The course provides excellent insight into the strategy, tactics and motivations of the private sector. (B)

Not terribly relevant. Most material had been covered in greater detail in my undergraduate courses. (B)

The overall evaluation of this course is clearly favorable. Both interns with and without business backgrounds praised the course. One of the 20 interns surveyed felt that the course should be canceled and replaced with an annual symposium on the government-business relationship.

Questions 2 and 3 asked the interns what specifically they liked and disliked about the course. Most interns complimented the professors and the case study teaching method. They also found the course challenging, and appreciated the opportunity to meet and compare notes with other NACOs. The only change in the program that the interns would consistently like to make is to replace military guest speakers with more guest speakers representing industry.

Question 4 asked the interns if they would recommend the course to their peers. Nearly all, 19 out of 20 interns (95 percent) said they would. Again, the comments that accompanied the responses support their answers. The following statements are representative of the comments provided:

It is not possible to come here and not learn something. Helps in improving the ability to read a situation and then analyze and come up with solutions.

I believe every junior to mid-grade Supply Corps Officer would benefit from this course.

For what little training we get, this course packs the most useful information into a training session that is enjoyable and challenging. It provides information and background that will benefit our careers.

This UVA course is the best deal for Navy Supply Corps lieutenants today!!!

This course is an enlightening experience for those in Government to learn the background and thought processes of the private sector.

Question 5 asked what the interns would change to make the course better. With the exception of including more industry guest speakers, and one intern recommending cancellation of the course, most interns felt the course to be extremely effective.

The results of this survey correlate with the positive comments provided by NACO graduates who had completed the course prior to 1991. The course appears to have strong support from the majority of those who have previously attended it. During personal interviews, senior supply corps officers expressed strong support for the course as well.

E. SUMMARY

This chapter presented and analyzed the data gathered through 144 surveys and ten personal interviews conducted with 1306 officers. The surveys provided the opportunity for 96 NACO graduates and 28 NACOs/DNACOs currently in the program to evaluate the two-year intern program. Another survey was completed by 20 NACOs and DNACOs who completed the Business Resource Management Course held at the University of Virginia's Graduate School of Business in January 1994.

The survey results provided specific information about the operation of the program; the marketing of the program; the mandatory training courses that were

provided; the degree of effectiveness of the 26 functional areas of OJT; the overall evaluation of the program; the graduate education and career path of the interns; and numerous recommendations to make the program more effective.

Some of the concerns identified include: problems with the preparation of officer Fitness Reports; commands using NACOs to cover shortages of personnel; DNACOs regretting their assignment to DLA; and the NACOs' preoccupation with achieving Level II DAWIA certification. Other aspects of the program that may require some changes in command policy are those that affect job rotation and guidance and supervision of the NACO interns.

V. PERSONAL INTERVIEWS

The researcher conducted personal interviews with ten senior 1306 officers currently assigned to acquisition billets in the areas of policy, procurement, career development and planning, and detailing. The aggregate listing of all officers interviewed is provided in Appendix F.

The interviews were designed to determine how senior contracting managers perceive the role of the NACO program in today's procurement reform and downsizing environment. A standard questionnaire was used for all the interviews. Appendix J presents most of the comments provided during the interviews.

A. WHAT ARE THE OBJECTIVES OF THE NACO PROGRAM?

This question was designed to determine if there were any differences between the intent of the program as stated in the NACO instruction and the view of senior contracting managers at work in today's force reduction and procurement reform environment. Paraphrased below are some of the responses provided (numbers in parenthesis indicate the number of similar responses).

> The immediate objective is to get the 1306S code and get DAWIA Level II qualified.(1)

> To train Supply Corps Officers to be prospective contracting officers, and at the next level, to manage the function. (1)

To get people in the procurement subspecialty, to get them started, to get them trained, to get them a subspecialty designator, to get them in a position where they can have at least one procurement payback tour. (1)

To ensure that we get, that we build, develop, generate a cadre of uniform military, Supply Corps officers that would be the acquisition professionals, leading the acquisition team in the future; that includes both acquisition from the standpoint of major systems acquisition at Headquarters and also, in terms of field contracting. (1)

The objectives are probably not much different than they have been since the program was implemented. The motivations are different. The motivations when the procurement intern program started up were reactionary. We were reacting to Congress. Today, the motivations are to ensure that we have a cadre of competent professionals. (1)

To give NACOs an opportunity to see what contracting is like. To learn the basic skills that are required to get through the necessary introductory courses. I don't think our objectives should be that every NACO go into a career in contracting. There is a lot of benefit to having people that have been NACOs in other fields that understand and appreciate what contracting it is all about. (1)

Give young officers the technical expertise to be able to manage large contracting operations when they become senior officers. It is not to make them technicians but to give them hands on experience so they can utilize this experience in management roles later on. (1)

First of all to introduce a new officer to the field of contracting, as a profession; secondly, it is to give him the basic skills of contracting; but thirdly, and most importantly, is to introduce him to a career path which would lead to the top acquisition jobs. (1)

To develop the future senior officers into the procurement subspecialty. I think it gives us the opportunity to pick the best and brightest of the junior officers.(1)

Overall, the responses agreed with the short term and long term objectives of the program. The short term goal is to provide junior supply corps officers the opportunity to gain contracting experience. The long term goal is to develop these officers for middle and senior grade contracting positions. Four out of ten senior officers addressed the short term objective, while the other six addressed the long term objective. One observation made the point that while the objectives of the program have not changed since its inception, the level of experience that NACOs are expected to have, by the time they roll into senior O5 and O6 positions, is substantially less than it has been in the past. This is primarily because of today's emphasis on pursuing a Naval career that is diversified rather than specialized.

As diversity becomes the goal to be achieved by promotion graduates, one additional contracting tour (versus two or three tours), before NACO roll into senior O5 and O6 contract management positions, may be what the Navy can realistically expect. This would qualify the officers under DAWIA's minimum four-year experience requirement for O5 and O6 positions but, according to one senior officer, it would not adequately prepare them for senior contract management positions at major systems commands. However, one of the most senior 1306 officers surveyed clearly understands the situation but firmly believes that, even with only four years of acquisition experience, NACOs, and 1306 officers in general, should be able to walk into most of these jobs and perform effectively.

B. WHAT ARE THE MAJOR PROBLEMS ENCOUNTERED BY THE NAVY IN ITS EFFORTS TO CHANNEL NACO GRADUATES INTO THE ACQUISITION AND CONTRACTING MANAGEMENT CAREER PATH?

This question is designed to identify the problems that prevent or restrict the Navy from providing the training and job rotation necessary to prepare NACOs for top acquisition and contract management billets. Paraphrased below are some of the responses provided (numbers in parenthesis indicate the number of similar responses):

> I don't think it is a problem of training people on the way up, it is a problem of not having enough people, people getting out or people not wanting to get back into contracting. I don't think people have been restricted from coming into the field, I think they've voluntarily exited the subspecialty.

> I am not sure that I would characterize it as a major problem. First, it is important that we understand that our primary mission is functioning as afloat Supply Officers. That is why we are around anyway. So, when you look at the detailing, that comes first, the staff that we do ashore hinges around that. The major problem we now have in this area is that if you look at all of the kinds of experience that would be very desirable to have, say at the senior O5, O6 level, you would like to have a negotiator tour (NACO program), a PCO tour, an ACO tour, a contract management tour, and a policy management tour. So, there are five tours, somewhere between 10 and 12 years, that if you want to get a fully experienced senior O5, junior O6, you would like him or her to do that. But, we can't handle that just in the number of tours you got, plus we have to be more diversified now as Supply Corps Officers than when I came through the system.

> The problem is diversity, sea duty, and yet at least meet the DAWIA requirements, and then how much you can put in. This is very difficult for the detailing process. The bottom line is that your career pattern is to get you promoted, or else you are out of here. You can be a highly specialized 1306, but it does not do any good unless you can first make the O5 selection board, and then screen for commander sea duty with the objective of making O6.

> The difficulty is that there is not a lot of time in 20 years to do three sea tours and four contracting tours. If you are going to be a Supply Corps Officer you have

got be diversified. If you want to specialize strictly in contracting, then you are looking at leaving the Navy at the O5 level. If you want to be a senior Supply Corps Officer, then you've got to have some skills in your bag other than just contracting. (1)

In the past ten years, the emphasis has been for Naval officers to gain a great deal of expertise. Now, we seem to be going back to where we were generalist Supply Corps Officers and are willing to buy the specialists from the civilian workforce. This is a problem because if you look at the number of captain billets that require procurement expertise versus the number of procurement trained captains that are floating around, you can't fill the billets. We, the Supply Corps, made a choice, at the commander level, that we want people who can function as an afloat Supply Officer. For better or for worse that is not necessarily the same criteria that you need to succeed past the commander sea tour. So, what we have effectively done is to ask a lot of people who failed to select for the commander (O5) sea tour to retire. If you fail to select for the commander sea tour, you are not going to make captain. (1)

This question really goes to the issue of the generalist versus the specialist; that goes back before the procurement intern program was implemented. Sort of, what is the greater need within the Supply Corps? To the extent that you create a specialists, whether procurement specialists, fuel specialists, or box kicking specialists, to the extent that you create subspecialties, corps within corps, you get away from what the Supply Corps is all about, making sure that we have Supply Corps Officers to support the Fleet. So, today and in the future, the major obstacle is going to be ensuring that we have adequately trained and developed (education, training and experience) acquisition professionals who are first and foremost Supply Corps Officers. We cannot lose sight of that. We want officers who have the diversity but yet still have viable career paths.(1)

If you want have a contract management career, then you should look at becoming a civilian. But, if you want to stay in the Supply Corps, then you are going to have get two, may be three, contracting tours and the rest better be in something else or you will not get there.(1)

A clear majority of the senior officers do not believe that the problem lies with the Navy actively making an effort to channel NACOs into the contract management career

path. Instead, the issue of diversification surfaced again as a factor that may be influencing former NACOs into pursuing limited or no contract management experience.

One senior officer offered the explanation that NACOs who decided to pursue a different career path may have done it because of lack of interest on the field. Because of the nature of the job, which can be extremely stressful, many NACOs may have decided to do something else. At least three senior officers used the opportunity to articulate the primary function of Navy Supply Officers, i.e., afloat Supply Corps Officer duties and responsibilities.

C. WHAT ARE THE PRINCIPAL ISSUES THAT CONCERN NACOS WHEN DETERMINING WHETHER OR NOT TO SEEK A CAREER IN CONTRACT MANAGEMENT?

This question was designed to identify factors that may have influenced NACOs to pursue a career other than contract management.

The responses for this question were similar to those to Question 2. And reflect that, in today's environment, specialization spells trouble for an officer whose goal is to make O6. One comment added that for someone to pursue this type of work, the individual must really like it. Another se r officer indicated that the concerns are not any different from those of other officers in other career fields. The comments obtained for this question are paraphrased in Appendix J.

D. TO WHAT EXTENT HAS THE CONTRACT MANAGEMENT SUBSPECIALTY BEEN AFFECTED BY THE SUCCESSES AND SHORTCOMINGS OF THE NACO PROGRAM?

This question was designed to determine what senior 1306 officers think are the successes and shortcomings of the NACO program in support of the 1306 subspecialty. Paraphrased below are some of the responses provided:

> The NACO program had a very positive impact on the 1306 subspecialty because the program fills a gap of 1306 officers that we need. Although the 815 program is the main source of 1306 officers, the Navy cannot send that many individuals to Postgraduate School. The funding for the school is not there. So, you need the NACO program. In some cases, with the two year tour experience combined with the training that the individual gets, you can very well end up with a better, more seasoned contracting officer. Combine the Fleet experience at sea and experience in a FISC or a Type Commander Staff assignment, then you have an individual who is very well rounded. Vice an individual who completed two sea tours, completed a Navy Exchange tour, went to PG School, and then walks into a contracting job. (1)

> If NACOs don't work out, we are going to have problems filling the O5 and O6 jobs in the systems commands, and the NRCCs as well. (1)

> I don't know what the shortcomings of the NACO program are. I think the program as it has evolved over time has gotten better and better. The success aspect of the question is more of a point. If we did not have this selected cadre of NACO graduates coming up at the O3, O4, and O5 levels who have established credibility, complemented by the 815 program, I think we would find ourselves in a severe talent shortage at the O5 and O6 level. (1)

> The first question that always gets asked by somebody like me, or the Chief, who is looking at filling one of these contract management jobs is, is he a NACO graduate, is he a graduate of Dr. Lamm's 815 program? Unfortunately, there are not enough people out there, at the O4, O5 level, to adequately fill all of these jobs, and certainly not at the O6 level. So, the shortcoming may be that we don't have enough NACO billets. In today's environment increasing the number of NACO billets is very unlikely to happen, and yet it is probably what we need to do. (1)

It is has attracted a lot of people into the 1306 subspecialty. The NACO program is a well known program, is well publicized, a lot people want to get into it. (1)

Extremely successful. From the detailing standpoint, a NACO graduate is very easy to detail. It is easier to detail a NACO than it is to detail somebody coming out of Monterey with just a 1306P code. With the P-code you really have no practical experience, you just have book experience. On the other hand, NACOs have actual hands-on experience in contracting. If you completed the NACO program in the field, and you have done an ICP or a supply center, or a contracting center, then to detail you to a hardware systems command is extremely easy. Whether it is a business financial management billet in a program office, or whether it is at a contracting office, it would not be difficult at all. (1)

NACOs make up a significant number of the 1306 subspecialty pool. NACOs contribute to the cohesiveness of the subspecialty. One of the shortcomings of the program is that maybe we are losing visibility of the graduates. (1)

Quite obviously, the NACO program is the key because that is where the O5s and O6s, who are key players in the subspecialty today, came from. I think that if you look across the board today, say at the O6 level, almost everybody would have come up from the NACO program. (1)

It is apparent that the NACO program is extremely popular among all of the 1306 officers interviewed. There was not a single negative comment, other than those referring to a shortage of NACO billets. All of the officers felt that the program has been extremely important in establishing today's cadre of acquisition professionals. One senior officer asked why there are only a few NACOs going through the 815 program? The implication is that a greater number of NACOs should be going through the 815 program. The survey results (Question 8) indicate that only about 25 percent of the NACO graduates also complete the 815 program. Instead, most NACOs surveyed, 51 out of 82

(62 percent), completed their graduate education at private or public institutions, possibly to diversify into other business fields.

Another senior officer made the comment that failing to track of the NACOs after completion of the internship may be a shortcoming of the program. Since there is no tracking system to monitor the flow of NACOs into middle and senior grade contract management positions, another problem is that NACO visibility suffers. In other words, the benefit of the program is less apparent to individual commands and the Navy as a whole, because these individuals do not continue to be identified with the NACO program..

E. WHAT ARE SOME OF THE STEPS THAT CAN BE TAKEN TO BRING A GREATER NUMBER OF NACOS INTO THE CONTRACT MANAGEMENT CAREER PATH?

This question was designed to identify ways to ensure that a greater number of NACOs are provided with the opportunity to return to the contract management field following their NACO payback tour. Paraphrased below are some of the responses provided:

> Consciously offer them contracting billets so they at least complete one O4 contracting billet. Without an O4 contracting tour, we can lose them at the O5/O6 level.(1)

> If NACOs get a P-code other than the 1306P code, monitor his or her career to ensure that at least one contracting tour is completed, or else we'll lose him/her. The DAWIA qualification would not be met.(1)

Identify quality procurement billets NACOs can go to and make those jobs available for them.(1)

One thing that bothers me is that to get the 1306P code you have to go to the Naval Postgraduate School and complete the 815 program. To get into the NACO career path is very competitive. To get to be selected to be a NACO, people have to have superb records. A lot of NACOs are selected for the 810 graduate program. When these people come out the 810 program they get a 1301P code and a 1306 subspecialty. Why not when they complete the 810 program grant them the 1306P code.(1)

There are no problems. Very few NACOs don't get back into contracting.(1)

Maybe there ought to be a former NACO in the detailing shop; this should be one of OP's goals as they put together their detailers, that we have a former NACO in one of the detailer jobs. And somebody who can do the job of tracking NACO careers. In other words, if you are former NACO, maybe the detailer should have to explain why you are not coming back to contracting. (1)

Get the senior 1306s involved in an informal consulting group to play in the detailing process, play in career counseling, and try to make sure that we are in fact developing enough people, qualified people. Getting the senior subspecialists interested in stimulating the subspecialty.

There appears to be a general consensus that something should be done to ensure that NACOs are provided the opportunity to complete at least one tour in contracting after the NACO tour. One recommendation is to place a former NACO in the detailing shop to assist in the detailing of former NACOs and to ensure that they get the assignments that would satisfy the diversity requirement while maintaining a viable career path in contract management. Furthermore, an observation was made that this type of career

management, which addresses a select group of individuals, is an accepted practice in the detailers' shop, although it is not advertised. Why not extend this practice to NACOs?

In the downsizing environment, efforts to achieve the greatest return on investment may be reinforced by closely monitoring what happens to NACOs after they complete the program. For this reason, the researcher believes that the career of NACOs, which can be viewed as a long term investment for the Navy, warrant careful monitoring by senior 1306 officers.

F. HOW SUCCESSFUL HAS THE NACO PROGRAM BEEN IN PREPARING JUNIOR SUPPLY CORPS OFFICERS FOR FUTURE ASSIGNMENT TO MIDDLE AND SENIOR GRADE CONTRACTING MANAGEMENT BILLETS?

This question was designed to determine how senior officers interpret the success of the NACO program. Some of the comments provided are presented below:

> The NACO program is as successful as we want it to be. We put good people in, let them seek their own level, because they are good people, we have gotten outstanding results. It scares me to think how much better it can be if we put together a better training program.(1)

> The successes are evident by the fact that there is a great demand for NACOs. (1)

> I guess when you look through the list of NACO graduates, there are a substantial number of NACOs who made O6. Some of them still in contracting, some of them are not. There a lot of NACOs today who are holding contracting jobs. The NACO program really met the goal that it was designed to do which was to introduce junior officers to contracting, and a lot of them decided to stay. (1)

The NACO program has been superb and it has done very well.(1)

I think the NACO program is the best program that the Supply Corps has. Those people who have completed the NACO program can go out and do almost any contracting job at the next level or next two levels. People who graduated from the NACO program, by in large, have done extremely well. (1)

It is extremely successful because prior to the NACO program we were not major players in the procurement world, in particular in major weapons systems. The program has developed a subspecialty, so in fact, we do have a cadre of officers who understand the business and who are assigned to senior contract management positions. (1)

One response gives the impression that success is a function of individuals getting promoted to O6, rather than their qualifications for senior contracting positions, or of the number of interns that eventually roll into senior positions. As noted by one of the officers, NACOs have to worry first about doing whatever is necessary to get them promoted to O6, and then they can worry about getting the right contracting experience.

Another officer answered this question in terms of NACOs successfully completing the two-year intern program. The fact that those who are brought into the program are top notch officers gives the program a greater chance of achieving successful program completion.

All ten officers strongly believe that the program has been extremely successful in developing middle and senior grade contracting managers. At the O6 level, approximately 23 out of 59 1306 captains (39 percent), are former NACOs. Clearly, NACOs make-up a good portion of the O6 pool, but without having a stated objective to

measure this number against, it is impossible to determine the degree of success of the program.

G. WHAT WOULD YOU CHANGE TO MAKE THE NACO PROGRAM MORE EFFECTIVE?

This question was designed to determined what senior officers believe should be changed to make the program more responsive to the needs of the Navy of the 21st century. Paraphrased below are some of the responses provided:

> Need to do a better job of watching how well we are using the NACOs. That means tracking them, tracking their careers to see if they indeed are leaving the Navy, and why. And if they staying in the Navy but not desiring to get back into acquisition, why? And if they want to stay in acquisition and they are not detailed into acquisition billets, why?(1)

> We should have a senior O6, somewhere in an area the subspecialty functions out of, in our case ASN is our senior 1306, that becomes the subspecialty manager. This manager can develop a data base that can be used to monitor where 1306 officers are rotating, who is leaving and who is staying, who can or cannot go to a certain job, and who needs to go to a particular job. This manager can also assist in the detailing of these officers to ensure properly balanced tour assignments. (1)

> We need to do some career management of our 1306Ss/Ps, more specifically 1306Ss. We need to get them back for follow-on tours in contracting.(1)

> Make a conscious effort to get the NACOs around to see different aspects of contracting such as small purchase shops, NRCC operations, contractors' plants, and post-award contract administration offices. There is a lot more to procurement than hardware buying. Hardware buying is only about 5 percent of DoD's procurements, the rest is small business. (1)

Mandate that we put all NACOs through the basic course at Fort Lee, in route to their NACO assignment. Do not allow them to start the NACO program without having gone through Fort Lee. (1)

Mandate that NACOs get as much of that NACO training done in the first six months of the NACO tour as possible. So that the remaining 18 months can be used for OJT and recommended training courses. (1)

Getting the training ahead of time before they walk on board. (1)

Restrict the NACO program to the ICP level or Headquarters level. When you look around and see where the senior contract management jobs are, they are not at the base level, instead, the O6s are at the ICPs, SYSCOM Headquarters level, major staffs, but by and large we have NACOs at FISCs, ordnance stations. I think we would be better served to put the NACOs into the Headquarters where we buy the major weapons systems and give them the opportunity to get some exposure to the major weapons acquisition system. (2)

Encourage NACOs to pursue a double P-code that includes the 1306P code. Some NACOs are being advised to pursue P-codes other than the 1306P in order to satisfy the diversification requirement. But there is nothing wrong with a getting the 1306P code. We must try to tell the NACOs that it is not career devastating for you to get a 1306P. But if they are really concerned about diversification, the double P-code is a viable alternative. To encourage the double P-code avenue, we must provide the opportunity for NACOs to validate some of the basic contracting courses. (1)

Need to re-look at where we have the NACO billets; are they in the right places? It may be that we should keep as many billets in Washington as possible. This is because it is not terribly difficult to train someone in field contracting, but it is extremely difficult to train someone in hardware buying. Someone who had the major buys experience can adjust very quickly to a field contracting job, not so the other way around. An individual who completed the program in a field activity, may have a much more difficult time adjusting to a hardware contracting position.

The officers' recommendations can be grouped into four categories; (1) those who recommend active management of the 1306 subspecialty by senior 1306 officers; (2) those who recommend training courses to be completed before or during the first six months of the program; (3) those who would like to restrict NACO training billets to hardware commands and ICPs; and (4) those who advocate the double P-code for NACO graduates who attend the Naval Postgraduate School. Better management of the 1306 subspecialty appears to be an issue of great concern among senior 1306 officers. The lack of knowledge regarding NACO utilization and the lack of NACO visibility seems to these concerns. Five of the ten senior officers strongly support the idea of having NACOs attend the basic contracting course enroute to their new command.

One officer recommended frontloading all mandatory courses during the first six months of the program in order to concentrate on OJT while maintaining the flexibility necessary to complete additional recommended courses if time permits. As previously discussed, completing the training courses before or during the first six months of the program can be extremely helpful in accelerating the learning process, and in taking full advantage of the 18 months reserved for OJT. By completing at least the basic contracting course before starting the program, the intern can begin with a good basic understanding of government contracting and with greater confidence.

The logic behind restricting billets to major systems commands brings up a point concerning the type of experience senior 1306s would like NACOs to receive. Since the long term objective of the NACO program is to groom NACOs for senior contracting

positions which are more likely to be in the major systems commands, then the preferred type of experience should be in the area of hardware and major systems procurements. Three out of the ten officers felt strongly about making sure NACOs get hardware contracting experience.

The recommendation to structure a graduate program at the Naval Postgraduate School so that completion would earn NACOs a double P-code can certainly be an incentive for NACOs to complete the 815 program without sacrificing diversity. However, increasing the number of NACOs that go through the 815 program might have a negative impact on the 1306 subspecialty as a whole. This is because it is unlikely that increasing the number of NACOs would also increase the number of 815 quotas. The result would be an increase in the number of better prepared 1306 officers at the expense of denying the entry of additional officers into the subspecialty. The ultimate effect would be to shrink the 1306 pool at a time when the Supply Corps cannot afford to lose the flexibility that a larger pool offers.

Instead, it may be that the Navy would be better served if NACOs are encouraged to complete their graduate education at other schools and then complete a three-month program at NPS that would earn them the 1306P code. This approach would increase the number of officers who come into the 1306 subspecialty through the 815 program. NACOs would have the incentive to earn the 1306P code and establish a viable career path in contract management.

Four additional questions were asked of two senior contracting managers and one middle grade contracting manager responsible for the administration of the NACO program at their commands. Question 8 specifically addressed the issue of providing mentors for the interns.

Question 9 asked the officers to identify problems encountered in running the program. Questions 10 and 11 asked the officers to identify the positive and negative aspects of the NACO program.

H. DO YOU HAVE DESIGNATED NACO SUPERVISORS/MENTORS OR DO YOU ROTATE THIS RESPONSIBILITY AMONG SEVERAL INDIVIDUALS?

Only one organization had in place a supervisory system that offered NACOs the opportunity to develop a close relationship with a more senior officer who provided guidance and served as a mentor. Some of the comments provided are presented below:

> The answer is yes. I meet with the NACOs on a quarterly basis and we go through their IDPs and review their progress. Also, we make sure that we have military officers (815 graduates and prior NACOs) in each of the divisions that serve as mentors for the NACOs assigned to that particular division. So, between myself and the military officers we feel we do a very good job of working with the NACOs.

> One of the good things about an intern program is that, if you show interest from the top, you'll get a much better product from the trainee. The interest that you show them is sort of given back many times over. So, here, in the last six months, we have had a NACO luncheon. We went out on a cruise shipline and took a boat down the Potomac. We don't have individually designated mentors, per se, but it is a very good idea.

I am a firm believer that If you make people feel special, if you single them out and make them feel special, that they will stick with it. And if they feel like they are all alone, then it is not really a program, and then they would go off and do something else.

The responses correlate with the survey results, which rated this aspect of the NACO program as less effective than any other.

I. WHAT ARE SOME OF THE PROBLEMS ENCOUNTERED RUNNING THE NACO PROGRAM?

Some of the problems identified include:

Timing and obtaining quotas for training courses at the time that is most beneficial to the intern. Right now I have two interns, four months into the program, who have not attended the basic contracting course. This is the first time I have seen a situation where an individual does not get some type of training before reporting to a new job. We are doing a disservice to these officers if we don't provide them at least the basic contracting course before they start the NACO program.

Early rotation of NACOs. Some NACOs rotate before two years. The problem with this is that under DAWIA you have to have two years of experience. If you pull a NACO out of the program before two years, then you have to get a waiver. Current Navy policy is that if the individual is going back to sea, a waiver would be granted.

The problems identified by these officers can be grouped into two categories, (1) those related to obtaining training courses at a time that is most beneficial to both the intern and the command, and (2) those related to early rotation of NACOs out of the program. These issues have been discussed in other sections of this chapter.

J. WHAT ARE SOME OF THE NEGATIVE ASPECTS OF THE NACO PROGRAM?

Two officers provided the following two responses:

> In some ways, it is kind of short. Two years is not a lot of time when you take into account all the courses they have to take.

> Not a big believer in the two year commitment. I don't think any of our NACOs wants to leave the Navy. To get into the program is very competitive. Unlike in the past, the program is not being viewed as a way to become employable in the civilian sector. The two-year obligation is not helping us in any way. In fact, I think it is a potential negative in getting somebody highly qualified but whose only concern is the two-year obligation.

Two other senior officers, who were not asked this question, also raised questions about the value of the two-year obligation as payback for the training received. Eliminating this commitment may increase the number of better qualified applicants, but it won't guarantee a much higher caliber of officer. This is partly because there is an abundance of top-notch junior officers relative to the number of NACO billets. This obligation may not be serving a purpose today, but it may tomorrow. It has not been a problem for any of the NACOs surveyed.

K. WHAT ARE SOME OF THE POSITIVE ASPECTS OF THE NACO PROGRAM?

The following are the responses provided:

> Early in an officer's career, you have the chance to tell him/her that he/she is in a select group. And, I think people always perform up to their expectations. So, one of the big positives is that you are singled out in a structured training program that lends some predictability to your career path right up to O6 and above. This is a big positive aspect of the NACO program. (1)

NACOs feel that they are members of a select group and perpetuate that same thinking, and people respond to it. They see the professionalism and they respond in kind.(1)

Develops good work ethics for the individual. (1)

Training and experience is second to none. The program provides a good education and lays a good baseline for a follow-on, graduate education program. (1)

These are interesting comments that bring out some of the intangible benefits of the program. The three officers expressed a strong commitment to the operation of the NACO program in their commands.

L. SUMMARY

This chapter presented and analyzed the data gathered through interviews conducted with ten senior 1306 officers. The interviews were designed to determine how senior 1306 officers see the role of the NACO program in today's force reduction and procurement reform environment.

The officers interviewed were informative and candid about their thoughts. They constitute a critical and credible source of information on how well the NACO program is likely to support the needs of the Navy for the 21st century. Their understanding of the goals and objectives of the program agreed with those stated in the NACO instruction. Regarding the generalist/specialist issue, they all agreed that, NACOs rolling into O5 and O6 contract management positions are going to have less practical experience in the future than the NACOs currently in those positions.

All of the officers think highly of the program, and firmly believe that the program has been extremely successful in establishing a cadre of competent contracting professionals. There seems to be no question in their minds concerning the importance of the NACO program in maintaining a cadre of contracting professionals.

VI. CONCLUSIONS AND RECOMMENDATIONS

A. INTRODUCTION

The initial purpose of this research was to determine whether the NACO program can effectively support the Navy's objective of preserving a capable, professional cadre of military contracting managers. A subsidiary question addressed the issue of whether today's force reduction and procurement reform environment has led to a change in the objectives of the NACO program. Another objective of the investigation was to determine the challenges the Navy is facing today in its efforts to preserve a competent cadre of Supply Corps contracting managers. In doing so, former NACO graduates and those currently in the program were asked to evaluate the NACO program, in an effort to receive further input as to whether the two-year program is effectively functioning. Numerous recommendations to improve the program were provided by former NACOs and senior contracting managers.

B. CONCLUSIONS

The answer to the main research question is that the NACO program has been, is, and will continue to effectively support the Navy's objective of preserving a capable, professional cadre of military contracting managers.

The survey results indicate that a fairly high number of NACOs do flow into O4, O5 and O6 contract management positions. Excluding all 27 lieutenants out of the 96

former NACOs surveyed, 50 out of 69, or 72 percent, have completed at least one contracting tour. Whether this is a positive or negative statistic is difficult to say, since it is not clear what those numbers should be. There is a general consensus among the senior 1306 officers interviewed that the NACO program has been extremely successful in preparing junior officers for senior contract management positions. Without this program, many senior officers felt, the 1306 subspecialty would have been in serious trouble.

Analysis enables the following conclusions to be drawn:

1. Force reductions and the advent of DAWIA have not changed the objectives of the NACO program.

The short term goal of the program is to provide junior Supply Corps Officers the opportunity to gain contracting experience. The long term goal is to ensure an adequate flow of NACOs into middle and senior grade contracting billets. Although these goals have not changed, the level of practical experience that NACOs can be expected to have before they get assigned to O5 and O6 billets is substantially lower than in prior years. This is primarily because, in today's force restructuring and streamlining environment, Supply Corps Officers must avoid specialization if they want to remain competitive for promotion to O6. The NACO program has evolved into a vehicle through which an individual wishing to pursue a contract management career can sidestep, to a certain degree, the issue of specialization. This is because the program's coverage of contracting issues, as well as its compressed format, allow the individual to diversify in subsequent duty tours.

2. **The Navy Supply Corps is facing a real predicament in developing and maintaining a cadre of contracting professionals without specialization.**

For a Navy Supply Corps Officer, specialization before screening for O6 spells trouble (possibly early retirement or separation). For the Navy, developing competent, top notch officers for O6 contract management positions is essential, but the Navy Supply Corps must simultaneously generalize its officers to meet Navy-wide personnel requirements. The predicament is real and there are no easy answers.

3. **Former and current NACOs found the program rewarding. The NACO program is also popular among senior Supply Corps Officers.**

Overall, 111 out of 124 NACOs surveyed (90 percent) think of the NACO program as a rewarding experience that has been the key to their success in the Supply Corps. Not only does the NACO program lay a solid foundation for future contract management positions, but it also makes a Supply Corps Officer uniquely qualified to function in a variety of Supply Corps billets. NACOs enjoy the reputation of being among the brightest and most capable of Supply Corps Officers, a welcome addition to any organization.

4. **There is a general consensus among NACOs that the program should be managed by a central authority, and that something should be done to ensure that NACOs are provided the opportunity to complete at least one contracting tour besides the NACO tour.**

Several comments provided in the surveys and interviews concerning problems associated with some of the aspects of the two-year program suggest that a proactive involvement by the program's sponsor in the management of the program in individual commands can make completing the program a more rewarding experience. Most of the

senior officers believed some kind of system should be implemented to maintain visibility of the NACOs and ensure that they are provided the opportunity to complete at least one contracting tour.

5. **In today's environment, the NACO program is becoming more appealing than ever before as the preferred vehicle to introduce junior officers into the field of contract management.**

This is primarily because NACOs are better positioned to balance diversification with viable career path in the 1306 subspecialty. A NACO can complete two contracting tours before screening for the Commander Sea Board and still maintain competitiveness for promotion to O6. On the other hand, 815 graduates without practical experience may be limited to only one contracting tour. By the time these two groups of officers roll into senior O5 positions, NACOs are more likely to have more practical experience than 815 graduates, hence they would be better prepared.

6. **The NACO program is not only relevant in today's procurement reform environment, but it is also important in today's downsizing of the Navy.**

The NACO program can accomplish two important objectives for the Navy Supply Corps. First, it can provide the formal training and practical experience needed to meet Level I and Level II DAWIA requirements. This leaves only a two year period of practical experience to achieve Level III certification, an objective which can be met by completing one contracting tour. Second, the NACO program can initiate a junior officer in a viable career path that can be of benefit to both the junior officer and the Navy. Whether or not the NACO returns to contracting, the skills learned and experience gained from the program serve the intern well in any Naval career path he or she chooses to

pursue. Either way, the Navy would gain a valuable resource that can be utilized in a variety of job assignments.

7. **Senior 1306 officers are more concerned with junior officers not getting enough practical experience to prepare them for middle and senior grade contract management positions and with losing the talent and the experience of those officers selected for early retirement than with meeting DAWIA's minimum training, education, and experience requirements.**

To the leadership of the 1306 subspecialty, maintaining a level of practical experience that is commensurate with the requirements of contract management billets is of greater concern than DAWIA's statutory requirements. This is because the 815 program satisfies Level I, Level II, and Level III DAWIA requirements. The NACO program satisfies Level I and Level II DAWIA requirements. In the long run, meeting DAWIA's Level III certification requirements for senior contracting positions should not be a problem.

8. **The NACO program meets DoD's objective of expanding the base of procurement billets to provide junior officers the opportunity to gain procurement experience. Whether the program meets the objective of ensuring an adequate flow of junior officers for future middle and senior grade contract management billets is not clear.**

A system to track the flow of NACOs into senior contracting jobs is not in place. Once a NACO completes the intern program, the officer is simply assigned the subspecialty (S) code and is subsequently placed in the 1306 pool. There is no additional follow up accomplished on these officers.

9. Lack of appeal for contracting, and not the detailing system itself, has been the primary reason NACOs have been leaving contract management.

Survey results indicate a lack of interest in pursuing the contracting field is the main reason NACOs choose other career paths. Eight out of 19 (42 percent) of former NACOs did not find contracting appealing enough to return to the field.

10. The intent of the NACO program is not clearly understood by some commands where the two-year internship takes place.

Problems identified by former and current interns indicate some commands do not have a clear understanding of the intent of the NACO program. Numerous comments identified problems with FITREPS, Stop-Gap Situations, Inadequate Job Rotations, Inadequate Guidance and Supervision, Problems Obtaining Training Quotas, Poor Timing of Training Scheduled, and Assignments to Small Purchase Shops for Extended Periods of Time.

11. Approximately 25 percent of the former NACOs also complete the 815 graduate education program at the Naval Postgraduate School. Most NACOs receive their MBAs from non-military institutions and subsequently forego the 1306P code.

The majority of the NACOs are choosing to complete their graduate education at non-military institutions and subsequently receive P-codes other than the 1306P. However, it is not uncommon for NACOs without the 1306P, or anyone with the 1306S code, to be assigned to 1306P billets. Five out of the ten 1306 officers interviewed did not have the 1306P and are, or have been assigned to 1306P billets. The only concern expressed by one of the senior officers interviewed is that they may not have the

opportunity to complete the course work necessary to achieve DAWIA Level III certification.

12. There is strong support for ensuring that training courses are frontloaded within the first six months of the internship, and for the basic contracting course to be provided en route to the command, prior to starting the program.

Several senior 1306 officers, former NACOs, and NACOs currently in the program believed that at the very least NACOs should attend the basic contracting course (CON 101) en route to the command where they have been assigned to complete the program. By taking all the other courses within the first six months of the program, the interns can concentrate on OJT. As one of the most senior 1306 officers noted, "'in the trenches experience is the critical key to the success of a NACO graduate."

13. There is no guidance as to when during the course of the program, mandatory training courses should be provided.

The completion of training courses at the end or after the officer completes the NACO tour raises a question about the objective of mandatory training courses. Since the NACO program is designed to combine course work and OJT in order to gain the maximum benefits of the internship, taking these courses at the end or after the NACO tour only satisfies DAWIA training course requirements and does not enhance the hands-on, practical experience aspect of the program.

The following 11 conclusions were also identified:

- The shortage of 1306 personnel for senior contract management positions is due to inadequate experience background and not because there are not enough 1306 officers.
- There is no mechanism in place for NACOs to provide feedback about the program.

- Nearly half of the NACOs are detaching early from the program, 25 percent at the 18-month mark and 21 percent at the 21-month mark.
- The DNACO program is not as well established/organized as one would expect after nearly ten years in operation.
- The type and level of practical experience gained at training commands differed substantially between major systems commands or ICPs, and field activities.
- Most interns are frustrated with the way training quotas are obtained. NACOs do not have priority over civilian trainees for mandatory training course quotas despite the fact that NACOs have limited opportunities to attend these course because of the compressed two-year program.
- Personnel assigned to supervise and train NACOs have no written instructions that spell out their duties and responsibilities, and there are no official instructions that provide guidance for the conduct of indoctrination/orientation of the interns.
- The Business Resource Management Course held at the University of Virginia Graduate School of Business is the most popular training aspect of the NACO program among NACOs.
- Rotation of NACOs among different contracting divisions within a command is not the standard but the exception.
- Most NACOs with non-business background educations find it extremely difficult to attend night classes to expand their business education.

C. RECOMMENDATIONS

Based on the analysis of the data collected and the conclusions drawn above, the following recommendations are provided:

1. Open up the NACO program to more officers and increase the number of NACO billets.

This would give a greater number of officers the opportunity to consider follow-on contracting billets. This would be an additional option for the officers and would enhance their chances for a more rewarding Naval career. If the officers elect another career field, the NACO experience would serve them well. The Navy would benefit either way. With few exceptions, the experience gained while in the NACO

program can be applied to the core functions of the Supply Corps. The 1306 subspecialty would gain by having available a larger pool of off with practical experience.

2. Establish a system to track and monitor the flow of NACOs to middle and senior grade contract management positions.

To gain the maximum benefits of the NACO program, there has to be in place a system to determine how successful the program is. This can only be done by establishing objectives and monitoring progress towards those objectives. A tracking system would make possible determining whether or not the objectives have been accomplished.

3. Frontload training courses in the first six months of the program and ensure that NACOs attend the basic contracting course (CON 101) en route to the command assigned to complete the program.

Five out of the ten senior officers interviewed strongly support having NACOs attend the basic contracting course en route to the command assigned to complete the program. Three officers recommended frontloading all mandatory courses during the first six months of the program to allow interns to concentrate on OJT and have the flexibility to complete additional recommended courses if the time permits. By completing the basic course before starting the program, the intern can start the program with a good basic understanding of Government contracting and with greater confidence in their ability to handle the new type of training.

4. **Assign responsibility for the effective functioning of the NACO program Navy-wide to one organization, either ASN or NAVSUP, where the program is the primary responsibility of one individual rather than a collateral responsibility.**

Some of the responsibilities should include the following:

- Active involvement in monitoring coursework and OJT progress of the interns. This is a way to ensure that the sponsor maintains high visibility within the commands.
- Develop and promulgate an Individual Development Plan that provides a set of basic functional skills that NACOs must learn during the two-year program.
- Monitor job rotation to ensure maximum exposure to a variety of contract actions.
- Brief and provide guidance, if necessary, to military and civilian supervisors responsible for the OJT and professional development of the interns.
- Ensure that an orientation is conducted for new NACOs.
- Request formal feedback from NACOs on a regular basis.
- Conduct periodic visits to commands where NACOs are assigned.
- Track NACOs and maintain a record of assignments. Assist OP in detailing former NACOs and ensure that they are provided the opportunity to get assigned to contracting positions if so desired. Make rotating early out of the program the exception and not the standard.
- Coordinate course quotas to ensure that courses are provided at a time that is beneficial to the intern's professional development.

5. **Establish a system in which NACOs are provided the opportunity to evaluate the program and provide feedback to the sponsor of the program.**

Currently NACOs are not requested to provide feedback about the program. Not one out of ten interns interviewed who are currently in the program have received a formal feedback request from any organization. With a feedback mechanism in place, problems do not go unnoticed and improvements can be made.

6. **When NACOs are selected to attend NPS under a curriculum other than the 815 program, make it possible for them to complete the courses necessary to receive the 1306P code as a second P-code.**

For NACOs who are avoiding specialization, but who would like to keep their options open for a possible contracting positions later in their careers, this approach

would achieve diversification which is the objective of both the individuals and the Supply Corps.

7. **When NACOs complete graduate education at non-military institutions, issue them the 1306P code once they have completed DAWIA Level III course work.**

Taking this action would ensure that these NACOs complete the mandatory training course to achieve DAWIA Level III certification.

D. RECOMMENDATIONS FOR FURTHER RESEARCH

1. **Conduct a study to further evaluate the impact of the promotion boards' actions on the 1306 subspecialty.**

Such a study would determine whether the promotion board trend toward discouraging specialization is having a negative impact on maintaining a suitable pool of officers in the 1306 subspecialty. It might even be feasible to do a more general study regarding the specialization question, in order to evaluate the Navy's future capacity for staffing positions requiring in-depth knowledge or experience.

2. **Conduct a study to determine whether or not the DNACO program should be discontinued.**

This suggestion comes about as a result of the perceived disorganization of the DNACO program. While no in-depth research was conducted regarding DNACOs, the perceptions gathered through limited interviews and surveying indicate that such a review is necessary.

3. Evaluate the recommendations to restrict NACO billets to major systems commands and ICPs.

It may be that such a restriction will refocus the program on its original long-term goal of providing experienced officers to fill senior contracting positions. If, as the comments suggest, there is a marked difference between the experience levels of NACOs who complete the program at major systems commands or ICPs and the NACOs who complete the program in other locations, it would be in the interest of the Navy to adopt such a restriction.

APPENDIX A. SUPPLY CORPS 1306/GENERALIST CAREER PATHS

SUPPLY CORPS 1306/GENERALIST CAREER PATH			
Rank	YR	Contracting	Generalist
CAPT	26	Command/Policy	Command/Policy
	24	Contract MGT/Policy	Command/Policy
	22		
CDR	20	Sea Duty	ICAF/NWC
	18	Contract MGT/Policy	Sea Duty
	16		
LCDR	14	Fleet Support	Fleet Support
	12	PCO/ACO Function	Fleet Support
LT	10	PG School	PG School
		Sea/NACO/Sea	Sea/Functional Tour/Sea
	0-8		
ENS/LTJG		NSCS	NSCS

APPENDIX B. NACO/DNACO TRAINING BILLETS

NAVY			DLA		
NAVAIR	Washington, DC	6	DCMAO	Atlanta, GA	1
NAVSEA	Washington, DC	6	DCMAO	Orlando, FL	1
SPAWAR	Washington, DC	3	DCMAO	Philadelphia, PA	2
ASO	Philadelphia, PA	2	DCMAO	San Francisco	1
SPCC	Mechanicsburg, PA	2	DCSC		1
NRCC	Washington, DC	2	DESC		1
NRCC	San Diego, CA	3	DGSC		1
NRCC	Philadelphia, PA	2	DISC		1
NTSC	Orlando, FL	1	DPRO	Honeywell	1
FISC	Norfolk, VA	1		TOTAL	10
FISC	Puget Sound, WA	1			
FISC	Pearl Harbor, HI	1			
FISC	Jacksonville, FL	1			
ITACN	Washington, DC	1			
	TOTAL	32			

APPENDIX C. DAWIA EDUCATION, EXPERIENCE, AND TRAINING REQUIREMENTS

LEVEL	ACQUISITION EDUCATION & EXPERIENCE	ACQUISITION TRAINING
I	1 year acquisition experience. As of 1 Oct. ' 93, for any GS-1102 hired after 1 Oct ' 93, a baccalaureate degree or 24 semester hours in accounting business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management.	One of the following: CON 101 Contracting Fundamentals CON 103 Construction Contracting Fundamentals Plus one of the following: CON 104 Contract Pricing CON 105 Organizational Level Contract Pricing CON 106 Construction Contract Pricing
II	2 years of contracting experience in an acquisition position of increasing complexity and responsibility. As of 1 Oct ' 93, for any GS-1102 hired after 1 Oct ' 93, a baccalaureate degree or 24 semester hours in accounting business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management.	CON 201 Government Contract Law Plus one or more of the following: CON 211 Intermediate Pre-Award Contracting CON 221 Intermediate Post-Award Contract Administration CON 222 Organizational-Level Contract Administration CON 231 Intermediate Cost and Price Analysis CON 241 Automated Information Systems (AIS) Contracting (required if involved with procurement of IRM)
III	A minimum of 4 years of contracting experience in an acquisition position of increasing complexity and responsibility. As of 1 Oct ' 93, for any GS-1102 hired after 1 Oct ' 93, a baccalaureate degree or 24 semester hours in accounting business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management.	CON 301 Executive Contracting Plus one or more of the following (depending on functional assignment): CON 311 Executive Pre-Award Contracting CON 321 Executive Post-Award Contract Administration CON 331 Executive Cost and Price Analysis PMT 341 Systems Acquisition Contracting (required if involved with procurement of major weapons systems)

APPENDIX D. NAVAL ACQUISITION AND CONTRACTING OFFICER (NACO) INTERN PROGRAM SURVEY

BREAKDOWN OF NACOS SURVEYED			
	NACO Graduates	Current NACOs	Current DNACOs
# Mailed out	125	30	10
# Completed	96	21	7
Response Rate	77%	70%	70%
Captains (O6s)	15		
Commanders (O5s)	29		
Lt. Commanders (O4s)	25		
Lieutenants(O3s)	27	21	7
Total	96	21	7

A. GENERAL BACKGROUND INFORMATION

TYPE OF UNDERGRADUATE DEGREE AND MAJOR						
Type of Degree	NACO Graduates		Current DNACOs		Current NACOs	
(# Responses)	(94)		(21)		(7)	
Business	59	(63%)	9	(43%)	3	(43%)
Non-Business	35	(37%)	12	(57%)	4	(57%)

NON-BUSINESS BACCALAUREATE DEGREES INCLUDE THE FOLLOWING

BS/Computer Science	BS/Physical Science
BA/History	BS/Criminal Justice
BS/Aerospace	BS/Civil Engineering
BS/General Science	BS/Building Construction
BS/English	BA/Philosophy
BS/Liberal Arts	BS/Oceanography
BS/Medical Microbiology	BA/Communication
BS/Sociology	BA/Missions
BA/Predental	BA/Government
BA/Mathematics	BA/Professional Studies
BS/Biochemistry	BA/Zoology
BS/Political Science	BS/Chemistry

1. How did you find out about the NACO program?

	NACO Graduate		Current NACOs		Current DNACOs	
Detailer	34	(37%)	4	(16%)	3	(43%)
My Boss	14	(15%)	10	(40%)		
Friend	21	(23%)	2	(08%)	3	(43%)
NACO graduate	7	(06%)	2	(08%)		
Other	18	(19%)	7	(28%)	1	(14%)
TOTAL	96		25		7	

2. In how many months did you complete or do you anticipate to complete the NACO program?

	NACO Graduate		Current NACOs		Current DNACOs	
12 months	3	(3%)				
15 months	5	(5%)				
18 months	16	(17%)	2	(10%)	1	(14%)
21 months	20	(21%)	4	(19%)	1	(14%)
24 months	49	(51%)	15	(71%)	5	(71%)
30 months	3	(03%)				
TOTAL	96		21		7	

3. Where did you complete the NACO program?

	NACO Graduates		Current NACOs	
Major Sys CMD	41	(42%)	13	(62%)
NRCCs	20	(22%)	3	(14%)
NSCs	13	(15%)	2	(10%)
Other	18	(21%)	3	(14%)
TOTAL	92		21	

B. FORMAL TRAINING AND OJT EVALUATION

4. When did you complete the formal training courses (please use the key below to provide an answer for each individual course)?

MANDATORY COURSES

	NACO Graduates	Current NACOs	Current DNACOs	Total	Percentage
MGT OF DEFENSE ACQUISITION CONTRACTS (BASIC)					
Before starting the NACO program	74	8	4	86	71.07
Within six months into the NACO program	17	11	3	31	25.62
12 months into the NACO program	1			1	0.83
During the second year of the NACO program	1			1	0.83
Did not complete this course				0	0
Scheduled to attend (Current NACOs)		2		2	1.65
TOTAL	93	21	7	121	
DEFENSE COST AND PRICING ANALYSIS					
Before starting the NACO program	1			1	0.8
Within six months into the NACO program	41	8	4	53	42.4
12 months into the NACO program	39	4	1	44	35.2
During the second year of the NACO program	15	2		17	13.6

MANDATORY COURSES

	NACO Graduates	Current NACOs	Current DNACOs	Total	Percentage
Did not complete this course	2			2	1.6
Scheduled to attend (Current NACOs)	6	2		8	6.4
TOTAL	104	16	5	125	
GOVERNMENT CONTRACT LAW (BASIC)					
Before starting the NACO program	1			1	0.81
Within six months into the NACO program	33	4	3	40	32.52
12 months into the NACO program	44	13	3	60	48.78
During the second year of the NACO program	16			16	13.01
Did not complete this course	1			1	0.81
Scheduled to attend (Current NACOs)	4	1		5	4.07
TOTAL	99	18	6	123	
BUSINESS RESOURCE MANAGEMENT (AT UVA)					
Before starting the NACO program				0	0
Within six months into the NACO program	8	1		9	7.26
12 months into the NACO program	37	5		42	33.87
During the second year of the NACO program	41	8	2	51	41.13
Did not complete this course	10			10	8.06
Scheduled to attend (Current NACOs)	7	5		12	9.68
TOTAL	103	19	2	124	

Recommended Courses		
Mgt of Defense Acquisition Contracts (Advanced)	33	11
Introductory Quantitative Analysis QMT 345	24	5
Advanced Contract Administration PPM 304	15	2
Defense Acquisition and Contracting Executive Seminar	19	1
Defense Contracting and Subcontracting with Small Business	18	2
Defense Fundamentals of Incentive Contracting	12	1
Direct-Cost Analysis Seminar	15	0

5. While in the program, in which areas of contracting did you complete the on-the-job-training (OJT) and how extensive was the training received ?

	NACO Graduates	Current NACOs	Current DNACOs	Total
ISSUANCE OF RFPS				
Received extensive training.	56	7	2	65
Received adequate training.	34	11	1	46
Received very little training.	3			3
Did not receive training in this area.	3			3
Scheduled to receive training in this area.			1	1
Not scheduled to receive training in this area.		3	2	5
TOTAL	96	21	6	123
ISSUANCE OF IFBS				
Received extensive training.	21	2		23
Received adequate training.	40	2	1	43
Received very little training.	18	5	2	25
Did not receive training in this area.	17			17
Scheduled to receive training in this area.		3	1	4
Not scheduled to receive training in this area.		9	3	12
TOTAL	96	21	7	124
PREPARATION OF STATEMENTS OF WORK AND SPECIFICATIONS				
Received extensive training.	39	6		45
Received adequate training.	33	9	1	43
Received very little training.	19	2	2	23
Did not receive training in this area.	5			5
Scheduled to receive training in this area.		2		2
Not scheduled to receive training in this area.		2	4	6

	NACO Graduates	Current NACOs	Current DNACOs	Total
TOTAL	96	21	7	124
HANDLING MISTAKES IN RFPS AND IFBS				
Received extensive training.	32	5	1	38
Received adequate training.	36	8	2	46
Received very little training.	23	3		26
Did not receive training in this area.	5			5
Scheduled to receive training in this area.		4	1	5
Not scheduled to receive training in this area.		1	3	4
TOTAL	96	21	7	124
HANDLING MISTAKES IN PROPOSALS AND BIDS				
Received extensive training.	30	3	1	34
Received adequate training.	35	10	1	46
Received very little training.	25			25
Did not receive training in this area.	5			5
Scheduled to receive training in this area.		6	1	7
Not scheduled to receive training in this area.			4	4
TOTAL	95	19	7	121
HANDLING PROCEDURES FOR BID OPENING/SAFEGUARDING				
Received extensive training.	26	4		30
Received adequate training.	36	4	2	42
Received very little training.	24	1	1	26
Did not receive training in this area.	10			10
Scheduled to receive training in this area.		5	1	6
Not scheduled to receive training in this area.		7	3	10
TOTAL	96	21	7	124
PREPARATION OF CBD SYNOPSIS				
Received extensive training.	55	13		68
Received adequate training.	33	6	1	40
Received very little training.	4		1	5
Did not receive training in this area.	4			4
Scheduled to receive training in this area.		2	1	3
Not scheduled to receive training in this area.			4	4
TOTAL	96	21	7	124
PREPARATION OF J&AS				
Received extensive training.	60	13		73
Received adequate training.	25	4	2	31

	NACO Graduates	Current NACOs	Current DNACOs	Total
Received very little training.	8		1	9
Did not receive training in this area.	3			3
Scheduled to receive training in this area.		2	3	5
Not scheduled to receive training in this area.		2	1	3
TOTAL	96	21	7	124
CONTRACTOR PROPOSAL EVALUATION				
Received extensive training.	56	12	4	72
Received adequate training.	29	6	1	36
Received very little training.	10	1		11
Did not receive training in this area.				0
Scheduled to receive training in this area.		2	1	3
Not scheduled to receive training in this area.			1	1
TOTAL	95	21	7	123
COST AND PRICE ANALYSIS				
Received extensive training.	48	8		56
Received adequate training.	36	9	3	48
Received very little training.	11	1	1	13
Did not receive training in this area.	1			1
Scheduled to receive training in this area.		1	3	4
Not scheduled to receive training in this area.		1		1
TOTAL	96	20	7	123
PREPARATION OF BUSINESS CLEARANCES				
Received extensive training.	52	13		65
Received adequate training.	36	3		39
Received very little training.	8	4	2	14
Did not receive training in this area.				0
Scheduled to receive training in this area.			1	1
Not scheduled to receive training in this area.			4	4
TOTAL	96	20	7	123
CONDUCTING NEGOTIATIONS				
Received extensive training.	48	7		55
Received adequate training.	29	8	1	38
Received very little training.	19	3	5	27
Did not receive training in this area.				0
Scheduled to receive training in this area.		2	1	3
Not scheduled to receive training in this area.		1		1

	NACO Graduates	Current NACOs	Current DNACOs	Total
TOTAL	96	21	7	124
CONTRACT DRAFT AND PREPARATION				
Received extensive training.	50	6		56
Received adequate training.	36	9	2	47
Received very little training.	7	3		10
Did not receive training in this area.	2			2
Scheduled to receive training in this area.		1	1	2
Not scheduled to receive training in this area.		2	4	6
TOTAL	95	21	7	123
ECP & VECP EVALUATION AND NEGOTIATION				
Received extensive training.	9	2		11
Received adequate training.	21	4		25
Received very little training.	42	4	1	47
Did not receive training in this area.	24			24
Scheduled to receive training in this area.		8	3	11
Not scheduled to receive training in this area.		3	3	6
TOTAL	96	21	7	124
CONSTRUCTIVE CHANGE AVOIDANCE				
Received extensive training.	12			12
Received adequate training.	26	4	1	31
Received very little training.	36	4	3	43
Did not receive training in this area.	22			22
Scheduled to receive training in this area.		8	1	9
Not scheduled to receive training in this area.		4	2	6
TOTAL	96	20	7	123
DCAA & DCMO INTERFACE WITH ACO/PCO OPERATIONS				
Received extensive training.	19	5		24
Received adequate training.	38	8	3	49
Received very little training.	29	4	2	35
Did not receive training in this area.	9			9
Scheduled to receive training in this area.		4	1	5
Not scheduled to receive training in this area.			1	1
TOTAL	95	21	7	123
SMALL BUSINESS AND EIGHT (A) PROVISION/PROCEDURES				
Received extensive training.	29	3	1	33
Received adequate training.	37	5	2	44

	NACO Graduates	Current NACOs	Current DNACOs	Total
Received very little training.	25	7	1	33
Did not receive training in this area.	5			5
Scheduled to receive training in this area.		3	2	5
Not scheduled to receive training in this area.		2	1	3
TOTAL	96	20	7	123
SOURCE SELECTION PROCEDURES				
Received extensive training.	37	6	1	44
Received adequate training.	36	4	1	41
Received very little training.	16	3	1	20
Did not receive training in this area.	7			7
Scheduled to receive training in this area.		6	2	8
Not scheduled to receive training in this area.		2	2	4
TOTAL	96	21	7	124
R&D CONTRACTING				
Received extensive training.	21	2		23
Received adequate training.	13	2		15
Received very little training.	22	2		24
Did not receive training in this area.	40			40
Scheduled to receive training in this area.		6	2	8
Not scheduled to receive training in this area.		9	5	14
TOTAL	96	21	7	124
MAJOR WEAPONS SYSTEMS CONTRACTING				
Received extensive training.	29	5		34
Received adequate training.	23	2		25
Received very little training.	12	1		13
Did not receive training in this area.	32			32
Scheduled to receive training in this area.		5	2	7
Not scheduled to receive training in this area.		8	5	13
TOTAL	96	21	7	124
SPARES CONTRACTING				
Received extensive training.	19		2	21
Received adequate training.	25	4		29
Received very little training.	26	1		27
Did not receive training in this area.	22			22
Scheduled to receive training in this area.		7	2	9
Not scheduled to receive training in this area.		7	5	12

	NACO Graduates	Current NACOs	Current DNACOs	Total
TOTAL	92	19	9	120
SMALL PURCHASES				
Received extensive training.	29	4	3	36
Received adequate training.	17	2	1	20
Received very little training.	23	1		24
Did not receive training in this area.	27			27
Scheduled to receive training in this area.		2	2	4
Not scheduled to receive training in this area.		12	1	13
TOTAL	96	21	7	124
PROGRESS PAYMENTS				
Received extensive training.	19	2	2	23
Received adequate training.	40	6	1	47
Received very little training.	27	4	4	35
Did not receive training in this area.	10			10
Scheduled to receive training in this area.		6		6
Not scheduled to receive training in this area.		3		3
TOTAL	96	21	7	124
WARRANTY PROVISIONS				
Received extensive training.	10	1		11
Received adequate training.	32	8		40
Received very little training.	41	3	3	47
Did not receive training in this area.	13			13
Scheduled to receive training in this area.		7	2	9
Not scheduled to receive training in this area.		2	2	4
TOTAL	96	21	7	124
TERMINATION FOR D AND/OR C (NEGOTIATION/SETTLEMENT)				
Received extensive training.	21	1		22
Received adequate training.	28	3		31
Received very little training.	34	4	6	44
Did not receive training in this area.	12			12
Scheduled to receive training in this area.		8		8
Not scheduled to receive training in this area.		5	1	6
TOTAL	95	21	7	123
MODIFICATION DOCUMENTS				
Received extensive training.	61	14	2	77
Received adequate training.	26	4	2	32

	NACO Graduates	Current NACOs	Current DNACOs	Total
Received very little training.	8	1	2	11
Did not receive training in this area.	1			1
Scheduled to receive training in this area.		1	1	2
Not scheduled to receive training in this area.				0
TOTAL	96	20	7	123

C. OVERALL PROGRAM EVALUATION

6. Would you say that completing the NACO program was a rewarding experience?

	NACO Graduate		Current NACOs		Current DNACOs	
Strongly disagree	5	(05%)	1	(05%)		
Disagree	3	(03%)			1	(14%)
Neither agree nor disagree	1	(01%)	1	(05%)		
Agree	29	(30%)	5	(24%)	4	(57%)
Strongly agree	58	(62%)	14	(66%)	2	(29%)
TOTAL	(96)		(21)		(7)	

7. Please rate the following areas of the NACO program.

	NACO Graduate		Current NACOs		Current DNACOs	
TRAINING - COURSES						
Not effective at all	1	(01%)				
Marginally effective.	6	(07%)	2	(11%)		
Effective.	61	(64%)	14	(74%)	5	(71%)
Extremely effective	28	(28%)	3	(15%)	2	(29%)
TRAINING - ON THE JOB TRAINING (OJT)						
Not effective at all.	3	(03%)				
Marginally effective	8	(08%)	2	(29%)		
Effective	23	(24%)	6	(29%)	4	(57%)
Extremely effective	62	(65%)	15	(71%)	1	(14%)
JOB ROTATION						
Not effective at all	9	(09%)	5	(26%)	4	(57%)
Marginally effective	16	(17%)	2	(11%)	1	(14%)

	NACO Graduate		Current NACOs		Current DNACOs	
Effective	35	(36%)	10	(53%)	2	(29%)
Extremely effective	36	(38%)	2	(11%)		
JOB REQUIREMENTS/WORKLOAD						
Not effective at all	2	(02%)				
Marginally effective	10	(10%)	1	(05%)	2	(29%)
Effective	43	(45%)	13	(62%)	4	(57%)
Extremely effective	41	(43%)	7	(33%)	1	(14%)
GUIDANCE AND SUPERVISION/MENTOR						
Not effective at all	9	(09%)				
Marginally effective	14	(15%)	2	(11%)	3	(43%)
Effective	22	(23%)	9	(43%)	3	(43%)
Extremely effective	51	(53%)	10	(46%)	1	(14%)
STIMULATING INTEREST AND PROFESSIONAL DEVELOPMENT						
Not effective at all	5	(05%)	1	(05%)		
Marginally effective	13	(14%)	1	(05%)	1	(14%)
Effective	30	(31%)	7	(33%)	5	(72%)
Extremely effective	48	(50%)	12	(57%)	1	(14%)

D. GRADUATE EDUCATION AND CAREER PATHS

8. Please select the appropriate statement regarding graduate education (NACO graduates).

Attended the Naval Postgraduate School, received MS.	31
815 Program	19
837 Program	9
827 Program	2
Other	1
Attended graduate school at non-military institution	51
MBA	43
MS	4
810 Program	4
Did not attend graduate school but intend to do so.	9
Do not intend to attend graduate school	3
I am scheduled to attend the NPS	4
Other school	2

9. Please list your career path starting with the NACO tour through your current assignment. Include graduate education and any other professional education. Also, indicate whether or not the billet is (was) a contracting job.

	Naco Graduate	In 1306 Career Path		In other Career Path	
RADMs(07s)[1]	1	1	(100%)		
Captains (O6s)[2]	14	10	(71%)	4	(29%)
Commanders (05s)[3]	29	22	(76%)	7	(24%)
Lt. Commanders (O4s)[4]	25	20	(80%)	5	(20%)
Lieutenants(O3s)[5]	27	24	(88%)	3	(11%)
Total	96	77	(80%)	19	(20%)

[1] First NACO graduate is a RADM Select, 25 years after completing the NACO program.

[2] On the average, Captains in the 1306 career path completed four contracting tours, five completed senior Supply Officer sea tours, and all earned graduate degrees. Those in other career fields avoided contracting billets throughout their careers.

[3] Commanders in the 1306 career path have completed on the average two contracting tours, ranging from 1 (6 CDRs) to 5 (1 CDR). Ten commanders have completed the senior Supply Officer sea tour. Those in other career fields avoided contracting billets throughout their careers and do not intend to seek contracting billets. All but one have graduate degrees.

[4] Lieutenant Commanders in the 1306 career field include those NACOs who have completed at least one contracting tour and those NACOs who have not had the opportunity to get assigned to a 1306 billet but who intend to pursue the contract management field. Specifically, 9 have completed 1 tour, 3 have completed 2 tours, and 8 have not completed any tours but intend to do so. All but three have graduate degrees.

[5] Lieutenants in the 1306 career path include 10 NACOs who, after the NACO program, have completed one contracting tour, or are currently in a contracting billet, or have completed the 815 graduate program; 12 NACOs who have not had the opportunity to get assigned to 1306 billets but intend to pursue the career field; and two NACOs whose comments indicate intentions to pursue contracting but did not explicitly say it. The three lieutenants not in the 1306 career path have not been in contracting billets and do not intend to pursue the career field. Ten do not have graduate degrees; 6 are scheduled to attend graduate school, 3 intend to earn a graduate degree, and one is separating from the Navy.

10a. If after completing the NACO program, you did not seek a career in contract management, indicate the reason(s) that influenced your decision. This question applies to those 19 NACOs who are in other career fields and have successfully avoided contracting tours.

Reluctant to specialize early on in my career.	5
No contracting billets have been available when changing duty stations/negotiating for orders.	2
Detailer discouraged specialization.	2
Detailer gave me "the needs of the Navy come first" line.	2
My boss recommended a different career field.	1
Contract management did not appeal to me.	8
I had a very negative experience with the NACO program.	1
I did not feel I was prepared to return to contracting.	1
I like contracting but I did not make an effort to return to contracting.	3
I am not in contracting now but I do intend to return to contracting.	0

10b. If after completing the NACO program, you did not seek a career in contract management, indicate the reason(s) that influenced your decision. This question applies to those 19 NACOs who have not had the opportunity to work in a 1306 billet but intend to do so.

Reluctant to specialize early on in my career.	3
No contracting billets have been available when changing dutystations/negotiating for orders.	5
Detailer discouraged specialization.	1
Detailer gave me "the needs of the Navy come first" line.	0
My boss recommended a different career field.	0
Contract management did not appeal to me.	0
I had a very negative experience with the NACO program.	0
I did not feel I was prepared to return to contracting.	0
I like contracting but I did not make an effort to return to contracting.	2
I am not in contracting now but I do intend to return to contracting.	16

10c. After completing the NACO program, do you intend to seek a career in contract management? Indicate the reasons that may influence your decision.

Yes. I have every intention of pursuing a career in contract management.	12
No. I intend to separate from active duty after the payback tour.	0
No. I am reluctant to specialize early in my career.	6
No. Contract management is not appealing to me.	0
No. Need to become jack of all trades.	8
No. I had a very negative experience with the NACO program.	0
No. I do not feel I would be adequately prepared to assume positions of greater responsibility in contract management.	0
Undecided.	4

APPENDIX E. UVA/BMRC SURVEY

This survey was specifically designed to obtain feedback about the BRMC from the most recent graduates; 20 out of 25 interns, or 80 percent, completed this survey.

A. WOULD YOU SAY THAT COMPLETING THE UVA COURSE WAS A REWARDING EXPERIENCE?

Disagree Neither agree nor disagree	1	5%
Disagree		
Neither agree nor disagree	1	5%
Agree		
Strongly agree	17	90%

Some of the comments that accompanied these responses are presented below (in parenthesis, B = business major, NB = non-business major):

> What an opportunity to learn! The instruction is top notch. The best teachers I've ever had. We really need to see what is going on in the private sector. I learned there is so much more than I thought went into private business. (NB)

> Not terribly relevant. Most material had been covered in greater detail in my undergraduate courses. (B)

> The best course I've taken through the NACO program or any military course. The commercial business sector view on aspects concerning their operations was highly informative. (NB)

This was the best educational experience I've had. The reasoning behind making a business decision is very important in understanding what drives business. (B)

This is the most outstanding course I have taken in the Navy! I do not have an undergraduate business background and found the BMR course was an excellent primer into studying business. The BMR course provided an excellent introduction to the fundamental principles and current theories on business management. The experience has provided me with the confidence to pursue an MBA. (NB)

This course was a fantastic experience. It greatly enhanced my knowledge of current business practices. Without reservation, this is the best way to understand the contractor's point of view. (NB)

Ideas/concepts were germane to our current jobs and future careers. (NB)

The insight to various commercial industries was excellent. Viewing the various scenarios from an opposite perspective helped to establish a framework in our everyday business and communication with commercial contractors and industry. (NB)

Provided some terrific insights into what our counterparts in the contracting world must face, the kind of decisions they must make. It is good to know the position of the other side. (B)

I learned about corporate America and have a better understanding of the big picture. The class gave me a chance to take off my Government hat and put on their hat and it opened my eyes. (B)

By far the best course of the internship program! The course provides excellent insight into the strategy, tactics and motivations of the private sector. (B)

Easily the best course I have attended in any Navy field. Extremely valuable information. (B)

Good experience as contracts negotiators to know the concerns/problems, etc. experience by the person "across the table" from you. Helps improve one's ability to analyze various situations. (B)

The UVA course greatly enhanced my skills as negotiator. I have a better sense of what the contractor may be looking for in a contract, rather than just a profit margin. (B)

B. WHAT DID YOU LIKE ABOUT THE COURSE?

The responses provided are presented below:

Professional level of instruction.

Well structured and the opportunity to interact with your peers on many different topics. The food and facilities were great.

The case studies were interesting.

The ability to make decisions by looking at all aspects of the problem. I learned different ways to analyze, how to think in a structured way.

The faculty. They push you to reason and arrive at a position that will benefit both parties.

I liked the case study method of analyzing business concepts. I was most impressed with the high quality of the faculty and staff.

The level of knowledge and breadth of experience held by the professors.

Setting was conducive to learning. Outstanding people teaching. Method of teaching encourages development in decision making. Get to trade experiences with other NACOs. Intellectually demanding and challenging.

A vast array of subjects covered and explained at a level any individual could comprehend. It challenged us to think outside the normal "BOX" and expand our viewpoint.

Absolutely a terrific team of professors. Extremely knowledgeable, energetic teaching style, and readily available for assistance.

Meeting all NACOs. It gave me an opportunity to compare notes and grow together.

Case study method - much more effective learning style than sitting through lectures. By far, the best course I have ever attended, anywhere.

The contract negotiations provided me with feedback on my performance that is necessary to improve my capabilities as a negotiator and to better understand my weaknesses and strengths.

The focus on the point of view of the person across the table (contractor) was very well presented. The negotiation exercises were outstanding. The faculty is top notch.

Challenging. Good negotiation practice. Established constructive relationship with peers.

The experience of group problem solving.

Case study method. The class and group discussions helped me broaden my analysis.

C. WHAT DID YOU DISLIKE ABOUT THE COURSE?

The responses provided are presented below:

I enjoy the inputs from the guest speakers but feel that the class (who were all Navy lieutenants) could have received more benefit if the speakers had been selected from the industry rather than the military.

Did not find anything that I dislike about the course.

N/A (3)

Nothing. (5)

Too much reading - over 60 case studies (3 per night), some 20+ pages.

Would have liked to have heard from the private sector how they prepare to negotiate with the Government.

The negotiations were too "class like." They need to be more real life.

Sometimes the reading was a bit to heavy and too many things scheduled at once, while other days seemed to be virtually easy.

I appreciate the efforts of guest speakers, but I did not really learn anything new from those speakers in attendance.

The weather.

Course seemed too vague as a rule and moved too slowly. Again, I have seen nearly all of it as an undergraduate.

Would prefer to have speakers outside the military. Would have liked to have heard speakers from DoD contractors and other successful businesses.

D. WOULD YOU RECOMMEND THIS COURSE TO YOUR PEERS?

Number of Responses	20	
Yes	19	95%
No	1	5%

Comments provided are presented below.

Adds a business background to those NACOs who may not have a business degree.

Excellent insight of civilian contractors.

It is not possible to come here and not learn something. Helps in improving the ability to read a situation and then analyze and come up with solutions.

I believe every junior to mid-grade Supply Corps Officer would benefit from this course. I would recommend this course and any other education that could be obtained from DARDEN.

For what little training we get, this course packs the most useful information into a training session that is enjoyable and challenging. It provides information and background that will benefit our careers.

This UVA course is the best deal for Navy Supply Corps lieutenants today!!!

This course is an enlightening experience for those in Government to learn the background and thought processes of the private sector.

This course teaches you to apply reason to all decisions regardless of the job.

Very important to see how the other side thinks. They teach new ways to analyze problems and decisions.

The course is not necessary. Membership in NCMA is more valuable.

The course was excellent in teaching you to step outside the box and examine the problem from several perspectives.

E. WHAT WOULD YOU CHANGE TO MAKE THE PROGRAM MORE EFFECTIVE?

The recommendations provided are presented below:

I thought that the marketing section of the course was weak. I would shorten the cases in marketing and make them more interesting.

Believe the course is very effective the way it is now. (2)

Nothing. (4)

Substitute the speakers (mostly military) with defense contractors and/or corporation leaders. (3)

This course should be provided during the middle of the internship and not at the end of the program. (2)

A more integrated student population. A civilian presence would provide a different perspective to the class.

A few more Government contracting cases. But not too many. I was surprised we didn't have more than a few. (2)

Utilize more current cases.

Need better directions to the School.

This course is already well coordinated. The staff at UVA is exceptional.

Cancel Saturday morning scheduling.

Focus more in big industry.

Recommend that the Navy cancel the UVA course and contract for a symposium on the Government/business relationship with NCMA.

Remember that this course is for BFMs also. The BFMs should not have to find out about the course second hand.

APPENDIX F. OFFICERS INTERVIEWED

Assistant Secretary of the Navy (RD&A)/APIA
Washington, D. C.
January 1994

Deputy Commander for Contracts, Naval Sea Systems Command
Washington, D. C.
January 1994

Executive Director for Contracts, Naval Sea Systems Command
Washington, D. C.
January 1994

Director, Contracts Management Division, Naval Sea Systems Command
Washington, D. C.
January 1994

Executive Director for Contracts, Space and Naval Warfare Systems Command
Washington, D. C.
January 1994

Deputy Commander for Contracts, Naval Air System Command,
Washington, D. C.
January 1994

Director, Acquisition Career Management, ASN (RD&A)
Washington, D. C.
January 1994

NACO Coordinator, Defense Logistics Agency
Washington D. C.
January 1994

Deputy Director, Acquisition and Contracting Policy
[Office of the Secretary of Defense]
Washington, D. C.
January 1994

Director, Supply Corps Personnel (NAVSUP-OP)
[Naval Supply Systems Command]
Washington, D. C.
January 1994

APPENDIX G. COMMENTS TO QUESTION SIX

Paraphrased below are some of the comments provided within each of the responses (the number in parenthesis indicate the number of similar responses):

A. STRONGLY DISAGREE

(5 out of 7 provided comments)

> Despite a lack of extensive on-the-job training and close monitoring appraisal and feedback, I gained valuable experience on my own initiative. I was motivated enough to ask the right questions and aggressive enough to get the right answers. The NACO program taught me the complexity and managerial aspects of contracting, but the nuts & bolts were left to me. (1)

The other four comments provided did not agree with this response. Instead, the comments may have been intended in support of response e, strongly agree. The following are those comments:

> I felt that the NRCC NACO program offered a wide spectrum of opportunities to learn and become familiar with a variety of contracting vehicles. I was even granted an unlimited warrant and given the chance to review other negotiators' work for approval. (1)

> The NACO program provided an on-hands look into the world of defense contracting. As I complete split tours with DLA and the Navy, I received a broad base of knowledge. The NACO program must be thoroughly endorsed by the entire command to make it successful and rewarding. (1)

> The contracting field suits my personality. I like number crunching and analyzing, but I require the interaction with people. In contracting, I get to analyze the proposals and then talk it out face to face with the contractor. Training

experience is very good. After two years here, I will be ready to go to sea, and then hopefully, to eventually come back and continue on a higher level. (1)

Overall, the NACO program is an excellent learning experience. (1)

B. DISAGREE

(3 out of 3 provided comments)

The pace of Navy contracting is frustratingly slow. The time from purchase request to contract award was too long for me to get any personal job satisfaction. Waiting a year to have a contracting officer sign the bottom line does not fall into my preferred job choice where you can get things done and make things happen. (1)

I enjoyed the courses and OJT but my Officer Fitness Reports (FITREPs) suffered because I was not involved in the day to day operation of the command. For example: I was selected as the employee of the quarter for the contracting department, yet I received a recommendation for regular promotion because I did not have enough face time with the Commanding Officer. Thus, my career may suffer as a result of my NACO tour. (1)

The command used NACOs as fire fighters. The only reason I received the formal training was because it was required. I did not learn nearly as much as I should have and had to fight to get what little training I did received. (1)

C. NEITHER AGREE OR DISAGREE

(3 out of 3 provided comments)

I spent four months as a small purchase buyer, eight months buying pumps, eight months buying electrical items, and four months on a special project. While working on each area, I was basically a buyer doing the same general tasks every day. I felt as though the NACO interns should have been moved around a little more and experienced more aspects of procurement. (1)

There are NACO and DNACO positions in this program. I understand NACO billets are at procurement commands while DNACO billets are at DCMAOs. DCMAOs are responsible for the administration of contracts executed by most procurement commands. Had I known the difference between the two, I would not have accepted orders to DCMAO. (1)

When I first arrived at this command, I expressed concern about getting enough experience in all areas of contracting, i.e., FFP, CPFF, issuance of RFPs, negotiation, etc. I was told I'd be in one section for a year to learn the basics of contracting with straightforward FFP type contracts in the price range of $25K-$500K. I was also supposed to knock out a majority of required training. Twelve months later I had completed one required course and was told that they would move me to another section soon. Now, 19 months later I'll complete my tour in the same section I started in. As far as training is concerned, I received orders to one class through the "system." All other training required me to call the training liaison at the site. Finally, at the end of may tour, I am told I need Intermediate Contracting (CON 211) to be qualified for Level II. I have orders to attend this course but they conflict with my detaching orders. (1)

D. AGREE

(29 out of 38 provided comments)

My NACO experience was early in the program. Back then the program was very disjointed and poorly managed. After the first three months in the program, I became a manager. I did little hands on procurement and received minimal training. (2)

It got me a subspecialty. It was not much as a training experience but I learned a lot in spite of that. (1)

Commands at which the NACO gets assigned need to be more involved. When I went through the program in the early 1980s, my OJT, besides some hands on work, was "here is the DAR- read it." Hardly a way to get trained. (1)

The command used NACOs where shortages existed. This did not always support the NACO and sometimes created an environment not conducive to good training. (2)

Good for the career. Good knowledge to have, but not something I really enjoy doing. (3)

The NACO program has the potential to be much more than it currently is. The things I have seen and been able to do since my arrival have been challenging and rewarding. These experiences I never would have had without the program. (2)

I have a much better understanding and perspective of the big picture. (2)

I have enjoyed the program immensely. However, if I had to do it over again, I would avoid DLA. My training has been exclusively small purchases. (2)

Question 6 (evaluation of 26 functional areas) is rather misleading in my case - since I am working on the administration side. The only training I am likely to receive in many of those areas is the knowledge I glean through schools. (1)

Working in acquisition has allowed me to observe, first hand, the implementation of Government policy in the civilian sector. The changes occurring in DoD have had immediate and dramatic effect in a large sector of our economy. Having a ring side seat has been illuminating. (1)

Looking back on it, the NACO tour proved to be very rewarding in terms of the experience I received and the people I met. However, as a NACO intern, it takes a lot of initiative and perseverance to ensure you get your OJT, required courses and rotation.(3)

The specific branch I was assigned had not worked with a NACO trainee before. Accordingly, no training plan existed. My OJT was quite strong in some areas while unnecessarily spotty in others. I would rate the NACO program with a grade of "A" while assigning the administration of the program a "B." (1)

Yes, I learned a lot. The drawback was that at the command, it was not career enhancing. Other lieutenants were in higher visibility positions and received better FITREPs because of it. There were two of us at this command. It would

have been nice to have a "mentor" or someone to take an interest in us to ensure we receive the training and got the visibility we needed to get good FITREPs. (1)

The NACO curriculum was challenging, courses interesting and to the point. I have used the training often throughout my career even though I have not had an official follow-on procurement billet assignment since 1976. (2)

E. STRONGLY AGREE

(56 out of 74 provided comments)

The NACO program laid the foundation for future supervisory contract positions. I learned a lot from senior civilians and military acquisition experts. The NACO program not only prepares a junior officer as an acquisition specialist but also prepares him/her to work with and supervise civil servants. The NACO program is a must!! (3)

Has been key to success in the Supply Corps and opened many doors along the way. It makes an officer uniquely qualified to provide assistance in numerous billets if you utilize your background and stay current.(1)

The NACO tour provided me with not only the basic foundation of my contracting background but also was valuable as a means of learning about what goes on at a Headquarters System Command. Additionally, the chance to have a Washington tour at a relatively early stage in my career served me well for my next DC tour. (1)

Excellent program. Started a career long interest in contracting. (3)

Wonderful program. I was a line transferee. I came into the Supply Corps to get into acquisition/contracting, as well as financial management. My goal was to be a program manager and combine engineeing/contracting and financial management disciplines. Unfortunate, Supply Officers are not "permitted" to be Program Managers. (1)

I spent two years negotiating contracts. I had my own assigned programs and was allowed to do as much as I could handle. I operated as what would today be considered a journeyman negotiator. More often than not, the PCO's only involvement was to approve the clearance and sign the contract. It was a fun tour with a great sense of accomplishment. (1)

Has given me a real "leg up" on my contemporaries. (1)

Served as foundation for a career in contracts that carried over into private/civilian sector as well as Naval Reserves. (1)

Gives you "OJT" whereas "P-coded" officers lack practical experience. Better prepared to do your job. (1)

It set me on a career, subspecialty, which I've been able to build upon in three successive contracting billets. I probably would not have remained in the Navy without the career progression the NACO program started. (1)

The program was particularly valuable in providing a strong business knowledge base. My understanding of overhead and fixed vs. variable cost structure has proven invaluable in my career. The UVA course was the most rewarding part of my training. (2)

An excellent program to develop future senior contracting managers. However, some NACOs are told to get experience in other fields and subsequently do not return to contracts. I believe that it is very important for NACOs to be guided back into another contracting billet later in their careers. (1)

Unlike going through Monterey (815 program), you have the opportunity to apply the knowledge "real time." I did not go through Monterey, but I do not feel I was cheated in any way. It allowed me to then get a Masters Degree (MBA) in a different specialty area, thus broadening my capabilities. (1)

The program was very rewarding; rapid learning, skill building and practical application. (1)

It was a great program! Well run. I was able to get most required courses in the first year which prepared me well for major weapons systems contracting. I learned a great deal from the civilian contracting officer and military senior officers. It was a most rewarding experience. (1)

A great opportunity for understanding weapons systems acquisition process and PPBS/POM cycle. (1)

I learned a great deal. The experience is invaluable in my future, whether in the Navy or out of the Navy. (1)

I was not assigned any other duties but work on contracting. Got time to go down to a DCMAO organization. I completed the program in 18 months and was able to complete some optional courses. I went from small purchases to post award contract administration to pre-award. (1)

My NACO experience was fantastic. My OJT was well mixed with my academic training, and I felt I received the full contracting experience. My personal experience as a NACO was completely fulfilling because the command took the program seriously and the professional there took pride in training their NACOs! (3)

Learning how to do contracting in class is not as effective as hands on learning. The NACO program combines the best of both worlds - training with OJT to reinforce the training. A masters degree in contracting says you did some school work. A NACO tour says you did some contracting. (1)

Absolutely yes, especially in combination with NPS. The practical experience gained in the program is outstanding and invaluable to further assignments in contracting billets. (1)

An outstanding program using both OJT and official training courses. The most important aspect is to have a good "sea daddy" to show the trainee the ropes and get a well rounded exposure to various contracting areas. (1)

Outstanding tour! The extensive experience I received in contracting was invaluable in all respects. The Business Resource Management Program at Darden was of particular value. It provided me with a great deal of insight and confidence to tackle several politically sensitive and visible contracts. Much of what I learned from my NACO tour has been successfully applied at my current position as an afloat Supply Officer, Department Head. Specifically, the use of common sense business judgment to lead the department in a proactive manner. Combined with the TQM skills I obtained through my own readiness, my NACO tour has been a tremendous asset. (1)

Excellent opportunity for the junior officer to get immersed in contracting without too many other distractions. Provides the intern enough OJT and training to decide to continue to specialize in contracting. Provides a meaningful shore tour with the opportunity to gain a subspecialty code. Provides a chance to experience working with civil servants. (1)

Discovered that working with civilians can be a positive experience, despite rumors in the Fleet. Good experience to carry on my career; gave me better understanding of some logistics issues. (1)

I was able to really get involved and do a lot of actual cost analysis and face to face negotiations on two major programs. I learned a large amount from actually getting to do the work. (1)

I have continued to use the experience gained as a NACO in nearly all other subsequent non-contracting assignments. (1)

Provided insight into contractor/business operations through site visits and negotiations. Working with senior contracting officers helped with training. Helped for dealing with civilian problems/interface at later shore duty assignments. It was a good prep for graduate school; developed writing and analytic skills. (1)

My NACO tour was one of the most rewarding I've experienced to date. I was quickly indoctrinated into the busy schedule of the contracting shop and was working on major systems procurements in a short period of time. The out-of-office training, especially the BMR course at UVA were extremely worthwhile experiences. (1)

This was a great program. I recommended it highly to all junior Supply Officers I come in contact with looking for advice. (1)

The personal attention and instruction provided by the super cadre of civilian personnel was tremendous, invaluable. The interaction and being made part of the team made the entire NACO experience rewarding. (1)

Establish a framework and a perspective which I have used repeatedly during my non-contracting career. Provided basis for fair and reasonable determinations, regulatory insight, and ability to see both sides of the "story." Ingrained forever into my psyche principles of proper documentation, "4 corners doctrine," and never to be arbitrary. (1)

I had a very successful and informative tour. What I learned as a NACO was very helpful in my follow-on tours even though I did not fill contracting positions. Each of my logistics and financial jobs required some aspect of my NACO training, including such functions as: preparing statements of work, evaluating proposals, preparing J&As, conducting negotiations, small purchases, and spares contracting. (1)

The NACO experience taught me about the business world which has helped immeasurably in my Supply Corps professional development. (1)

The following are comments from current NACOs and DNACOs:

Although I have been in the program seven months, I have already gleaned much information from my PCO and Branch Head. The OJT and training courses have been rewarding. Also, the interaction with DoD civilians has been positive. (2)

Having the opportunity to interact with both civilians and military officers allows me to get a variety of insights and practical contracting experience. If I get hung up on any particular issue of procedure, I have almost the entire contracting command at my disposal to answer my questions. (1)

I have learned about contracting every day at this command. I expect to learn more about competitive procedures after I change to a different branch in a few months. (1)

Rewarding because: major claimant exposure; Washington D.C. exposure; major acquisition exposure; exposure to senior Supply Officers; receive fairly good training in contracts and leave with a subspecialty code; tempo is slow compared to sea duty and I get to spend more time with my family. Not rewarding because: No training/advice/incentive to pursue career as an acquisition professional past PG school. Current "Gouge" says DIVERSIFY your career and try to get billets which set you up for a CDR sea tour. Is it realistically a good idea to ask for O4/O5 acquisition billets?

I have thoroughly enjoyed the opportunity to develop a subspecialty early in my career. However, the downsizing in civilian personnel has hindered my training to just the mandatory course level. I was told by immediate military and civilian supervisors that the office workload over a declining number of contract specialists would make it impossible for me to pursue Level II DAWIA certification. I have learned a great deal more via OJT, but I am concerned that not achieving Level II certification will put me behind my military and civilian peer group. (1)

Excellent combination of OJT and course work. But it is impossible to get exposed to all the things, I feel, I should get some experience in the two-year time frame. The program should be three years in length to match that of our civilian counterparts and give us adequate time on the job. (1)

APPENDIX H. COMMENTS TO QUESTION SEVEN

Paraphrased below are some of the comments provided within each of the responses (the number in parenthesis indicate the number of similar responses).

A. NACO GRADUATES

1. Training Courses

UVA course was the best/outstanding/the highlight. (8)

UVA course is way over rated. Instead, NACOs should be taking the advanced courses in subcontracting, contract administration, and incentive contracting. (1)

Basic was very good. Cost and price analysis was very elementary. (1)

MDAC (Basic) was very effective. I was glad I took the course before reporting to the command. (1)

Cost and Price was the worst course. (2)

Generally, provided excellent technical background I was able to use throughout my career. (1)

Very good - but need to be front-loaded during the tour. It does no good sending someone to a course a month or two before leaving. (1)

Some were good, but most were just adequate. (2)

Courses moved slow. The instructors taught to the level of the students who were having problems with the material. This left the majority of the class bored. (2)

2. OJT

Ineffective. It was sink or swim. (1)

Sink or swim is the best kind. (1)

PCO and contracting team were very supportive. (1)

May be just the luck of the draw, but there wasn't much of it. (1)

More experienced negotiators, both civilian and military, were more than willing to offer their time to train NACOs. (1)

Received a $100K warrant three weeks after reporting to work. (1)

Since programs are so large at the Systems Command level, NACOs tend to get into only a few different programs and the types of buying are not really that different. (1)

OJT was self driven. I found the civilians willing to give me as much work/responsibility as I was willing to assume. (1)

I was a branch head (large purchases) after one year. I supervised 12 negotiators (GS-7 - GS-13). I had an unlimited warrant and signed over a billion dollars worth contracts per year. All as an O4!

3. Job Rotation

While I did not rotate, the work assignments did change as my skills increased. (2)

Brief rotations for orientation is all right but have to be permitted to remain in a job to maximize hands-on experience. (1)

Two different jobs in two years at Headquarters, the best you could hope given the long lead-time for major systems acquisitions. (1)

I did not rotate due to workload. I worked entirely on the pre-award side. (1)

Rotated through four different divisions (each with different contracting functions) in a two-year period. (1)

Remained in same contracts division, would have liked to have been exposed to other procurement programs. (1)

I did not rotate. (6)

I was able to work on two major programs during my 24 months at the command. (1)

The job rotation should be more well balanced. I felt I spent too much time in small purchases. (1)

4. Job Requirements/Workload

About right. Started out slow...workload increased commensurate with experience. (1)

Good. I was a work-aholic and made a significant number of buys. (1)

Good mix: RFP/services/hardware/R&D/cost and FFP actions. (1)

Frequently had to look for work. (1)

I was given meaningful work not just busy work. (1)

5. Guidance and Supervision/Mentor

Had none. Picked up someone on an informal basis. (1)

Typically good...plenty of advice from supervisors... no mentor program per se. (1)

Mixed. I had a good civilian supervisor but without sponsorship by senior chops I would have been a little lost. (1)

Did not get much of it. (2)

The GM-15 was tremendous, with over 25 years of experience. (1)

Basically, I ran my own program. (2)

Worked for some great civilian Contracting Officer - very professional. He was willing to accept me into his contracting team as another contracting specialist trainee. (1)

I was given no guidance/supervision/mentor. (1)

I believe mine was very good. But again, need to be aggressive in this area if you do not think you are receiving enough guidance. (1)

After initial training, only provided feedback on errors. There was no proactive OJT instruction. (1)

Outstanding. The supervisors I worked with were outstanding in helping me with training and helping to complete assignments. (2)

There was none. All NACOs at the Command were on their own. (2)

It was outstanding. The program was taken seriously by management. (1)

I was basically left on my own by the military commanders. I took it upon myself to ensure I received training with the civilian contracting officer (GS-9) which I was assigned with. (1)

I was lucky to have had a terrific Captain; I can't stress enough the importance of having a mentor. (1)

My civilian supervisor was outstanding/exceptional/the absolute best/had one of the best. (8)

6. Stimulating interest and professional development

No comments were provided.

B. CURRENT DNACOS:

1. Training Courses

Some are too easy but overall they help bring you up to speed. (1)

The small purchase course bore no relationship whatsoever to what we do at this command. (1)

The courses are well structured and adequate reference material is provided. (1)

2. OJT

What I received was good, but I do not get enough rotation before landing a permanent position. (1)

I am the only junior officer at this civilian office. Training is available, but a program has not been standardized for DNACO interns. (1)

3. Job Rotation

There was no job rotation at all. (1)

Due to manning shortages at this command, I have not been rotated through the other sections of the office. I consider this to be somewhat of a disadvantage; however, I have learned a lot through talking with people in other areas. (1)

Command has not rotated me at all. However, I have been allowed to work individual projects of my own choice. (1)

I am currently working as contracts administrator with an ACOs team. I will be going TAD for a block of time, but my Commanding Officer wants me to start here and learn all I can. (1)

4. Job Requirements/Workload

DNACOs at this command are overwhelmed by the same amount of workload (250 - 400 purchase requests) that each civilian buyer has. An advantage to this is that we see first hand, at the grass roots level, what the problems are at the small purchase level.

5. Guidance and Supervision/Mentor

There is a lot of expertise at this command. I am benefiting from this experience. (1)

This was always available. (1)

I have worked for three ACOs in the six months I have been here. They just keep quitting. This is not part of any greater "plan." However, I have been exposed to three different philosophies as a result.

6. Stimulating Interest and Professional Development

Some interesting, some not. (1)

C. CURRENT NACOS:

1. Training Courses

No problems with the courses. (1)

Government courses extremely dull. UVA is awesome! (1)

All the required courses taught me something new; however, they were all too long and could be cut (in length) by some amount. (1)

The curriculum is good. However, the courses are generally very simple and could be taught in approximately two thirds the amount of time. The amount of optional courses is excellent and allows some tailoring. (1)

The UVA course is outstanding and should be retained. Many NACOs have no business background. The DAWIA courses vary from average to good, depending on the training source. (1)

Training for NACOs is incorporated into the command's training regime. This command does a pretty decent job of opening spots in classes for NACOs. However, this is not true at other commands. Often, NACOs are lower in the priority ratings. (1)

They are difficult to schedule due to limited quotas, but the courses are great. (1)

Depending on the instructor they can be extremely effective to marginal.

The courses are good but there is no chance to use the information unless the commands put us in the position that we might see what we have learned in action.

2. OJT

OJT and course training together is an effective learning method for me. (1)

Truly, the only way to learn contracting. (1)

Extremely effective, but could be even much more so with an additional year on the job. There is not enough time to practice what is taught. (1)

The key way to gain knowledge. Getting a diversity of meaningful OJT used to be difficult to get, but the downsizing forces PCOs to make use of all assets. (1)

There is no established training criteria or set gates to be achieved with the exception of the mandatory classes. The training received at one command is very different from that of another. (1)

3. Job Rotation

Very good. Small purchase - three months; large contracts under $250K - six months; and large contracts over $250K under $5 million - remainder of tour. (1)

This command does a great job of moving the NACOs around various areas within the contracting group. (1)

At my activity, we lack a great deal of complex, diverse contracting efforts which would help my training experience. (1)

Currently, we have no job rotation at this command, mainly because there is not enough time to allow for it. (1)

I did rotate within my branch. But all this command does is basically the same procurements - sole source, negotiated procurements. A better idea would be to rotate Washington NACOs from one System Command to another. (1)

We are used as fillers at our command and may remain in the same section for the entire two years. Have not rotated (12 months in the program). (1)

4. Job Requirements/Workload

Heavy, but I learn more that way. (1)

At times a bit slow. With cutbacks, it has been difficult to keep busy in various sections I have worked. (1)

Workload started very slow due to lack of training in the basics. Since then, it has picked up nicely and is quite challenging at times. (1)

Workload is increasing to where it hinders training. On the positive side, we are getting the chance to do high dollar, meaningful procurements. (1)

Actually doing contracts "cradle-to-grave" is an excellent chance to learn the entire process. (1)

I like the fact that I am treated as a peer and that my supervisors have so much confidence in my ability. (1)

5. Guidance and Supervison/mentor

I have been the mente of some very good, hard working supervisors/contacting officers/negotiators/buyers. (1)

This is probably one of the most crucial aspects of the program. It is very important to have someone there who will take a new NACO step by step through the various projects that he or she (the mentor) is working on and then also be there to offer assistance and answer questions when the NACO receives his/her own assignment. (1)

Absolutely Terrific. I am very impressed with the knowledge and skills of my supervisor and PCOs. Terrific resources. Most are willing to make a lot of time to teach and advice. Excellent peer training as well. (1)

Supervisors and colleagues are always eager to provide assistance. (1)

No real system implemented. (1)

Both of my PCOs are very helpful. (1)

I was in a section with a heavy workload and got help on contracts as I went along, but no mentor was assigned. (1)

APPENDIX I. COMMENTS TO QUESTION ELEVEN

Paraphrased below are recommendations to make NACO program more effective (the number in parenthesis indicate the number of similar responses):

Set up a more intelligent method of screening potential NACOs than having the detailer try to do it. An informal review board of experienced 1306S/P coded officers could do it. (1)

NACO billets should be restricted to major buying activities. Systems Commands Headquarters, ICPs, and NRRCs are appropriate. (2)

Expand number of NACO billets. (1)

Guarantee NACO selectees that they will attend "basic" course en route to their NACO duty station. (3)

Build DAWIA Level III training accomplishment into the two year program as a desirable goal. (1)

Provide early emphasis on professional certification in NCMA. (1)

Box-kicking, acquisition and contracting, and financial management are the key disciplines of the Navy Supply Corps. Everything else is secondary. We need continued emphasis and strong support for the NACO program and PG school. (1)

Ensure that interns are assigned to contracts vice small purchase. (1)

Ensure that the UVA course remains mandatory. (3)

Ensure active senior officer interest/involvement in NACO development tour. (1)

Ensure full 24 months available for NACO tours (avoid short tours). No early rotations. (2)

Do not allow tight budgets to cut into the training programs. Specifically, we need to keep the BRMC at UVA fully funded for NACOs. Currently, funding for this course is in jeopardy. (2)

Solid leadership by NAVSUP or similar activity. (1)

Control billets and training required to complete program, too varied by location. (1)

Handle NACOs strictly as trainees vice other junior officers. (1)

Arrange periodic meetings with former NACOs to give the NACOs a chance to learn about experiences and ask questions about the future and opportunities. (3)

Improve the orientation/OJT training program of the command to which the NACO is assigned. (1)

Require training/experience in the post-award area. (1)

Concentrate on OJT interspersed with in-plant/at-contractor site training. We need to know more about how the private sector operates. (1)

Encourage previous NACOs to pursue the 815 program at NPS. This can be done by targeting them in the selection process or encouraging them to double major when they get to NPS. (1)

Have Supply Corps decide (via selection board results) that specialization is as important as "generalization" to the Supply Corps.(1)

Split tour as BFMT. (1)

The NACO/BFM PM on the staff of ASN (RDA) needs to take a proactive role by personally interfacing/counselling the NACOs/BFMts. (1)

Split tour for experience. One year at a SYSCOM, one year at a DLA ICP (DGSC, DESC...). (4)

If NPS graduate, eliminate NACO and replace with OJT in payback tour. Don't send NACO graduates to NPS acquisition curriculum. (1)

Make sure supervisors support the intent of the program. (1)

Pay attention to how the program is administered at the command level...not just at the ASN level. (1)

Incorporate a class in civilian personnel management. (1)

Strong NACO coordination at each activity to help with obtaining courses. (2)

Merge all Supply Corps internship programs and run them from the NAVSUP (OP) career guidance office so that they all have proper attention. Internships are integrated with PG programs and detailers know individual status. (1)

Enforce the intent of the program. (1)

Totally segregate NAVY and DLA NACO programs: different content and experience. (1)

All formal training, including the BMRC at UVA, should be front-loaded. (1)

BMRC at UVA should only be for NACOs with no prior formal business education. Use it selectively. (2)

Stronger enforcement of job rotation etc., by sponsor/mentor (ASN). (1)

Have NACOs receive packet of information explaining what they should be doing. (1)

Have mentor (ASN) visit NACOs in the field and at SYSCOMs to verify they are being trained properly. (1)

Have NACOs take Basic Law, Cost & Pricing in their first six months so they can apply it in their last 18 months. (1)

Ensure detailers don't short tour NACOs. (1)

Ensure NACOs get the schools and tra and that they don't get treated as another available body. I have heard from so iends that the job frequently took precedence over training. This shouldn't bc the case (or why have a NACO program?) (1)

Make sure NACOs understand the implications of DAWIA (If we the Supply Corps are really going to play - it is the law!) and their future. The Supply Corps still needs to figure this one out. A career in contracts can now lead to retirement as an O5. (2)

Develop a career path. Create a community manager/focal point. Link to PG education. Track the career progression of NACOs. (1)

Critically review required and mandatory courses. Many of these courses, especially taught by contractors, could be improved in quality of content and presentation. (1)

To make the OJT training program more effective, extend the tour past 24 months. (1)

Provide more demanding courses. Except for the BMRC at UVA, the curriculum was quite easy. (2)

Develop senior mentors in the field. Let them know they have coaching duties. (1)

Automatically select NACOs for PG school/AEP. (1)

Get an up-to-date NACO instruction issued. The NAVMAT instruction is way out of date. (1)

More courses like UVA's. (1)

Obtain full command endorsement and ensure support throughout the entire chain of command. (1)

Ensure NACOs are given the opportunity to take the advance recommended courses. (1)

Establish proficiency pay for the contracting discipline. (1)

There should be more communication between ASN and the NACOs in the field. Each NACO should have a tailored Professional Development Plan and a sponsor to check NACOs' progress. (1)

Closer monitoring for OJT to ensure good job rotation and wider variety of experience. (1)

Ensure a mentor is assigned and held accountable. (1)

Combine the tour with graduate work. Extend the program a year so NACOs can complete the program and graduate school. Make the program three years. There are too many schools to attend and too much hands on experience needed to compress in a two year period. (1)

Better central direction. That is each site should be required to do certain training. At my command, many of the NACOs were utilized as "extra help" and were assigned far too many assignments outside their training. (2)

Ensure military supervisors at sponsoring command vary assignments of NACOs and review progress. (1)

Require commands to show how NACOs will be used. Monitor and compare often. (1)

Institute NACOA PQG---Professional Qual/Board. (1)

More frequent surveys for feedback. (1)

The procurement field has long been deficient in automation of the process. Possibly more training in information systems (EDI/EC) would contribute to improved mechanization. (1)

Strongly advocate mixing operational fleet billets into a procurement career to enable continual focus of why we have Supply Corps Officers....to support Fleet operations and weapon system program offices. (1)

Protect the survival of the program through clear demonstration of payback, ROI. (1)

Target follow-on billets for NACO graduates. (1)

Ensure NACO activities carry out the program. (1)

Get NACOs the training, give them challenging and real work, not just busy work, and rotate them through several facets of the contracting process. (1)

Force contracting career path. Too many NACOs (like me) used NACO as a ticket to be punched out. The Navy never really got their investment back because I wasn't forced into contracting jobs afterwards. (1)

Take the "too specialized" out of the promotion equation. (1)

Figure out the proper place for Supply Officers and their future in contracting. Is there a need? Are the civilians going to take over? (1)

Will a NACO background set one up for selection in O5 sea board? As it is now without O5 sea tour chances of making O6 are not very good. (1)

Give "S" subspecialty code the same rank as "P." Presently, if you have the "S" contract management code, but not the P code, you cannot qualify for a contract management position. (1)

The following are comments from current DNACOs:

Keep a senior Naval Supply Officer in each NACO's chain of command. (1)

Standardize (where feasible) OJT. (2)

More schools. The Basics are OK, but since it is a training billet, throw in more schools to further train the individual. (2)

Establish a mentor-type program. As the only DNACO in the area, I am very unaware of what other people's experiences are. (1)

Send incoming DNACOs to school prior to reporting - at least to the Basic Contracting course. (1)

Establish an acquisition career path (similar to the Army's) that would not penalize officers' advancement opportunities. (1)

The following are comments from current NACOs:

A new instruction which gives individual commands basic guidelines for the steps or checkpoints that are required of NACOs. (1)

Update course schedules with new DAWIA course numbers. (1)

There needs to be more interaction between the NACO coordinator and the NACOs not in DC.(1)

Make specialization in acquisition a feasible career path. (1)

Maintain the two year time in the tour - 18 months is not enough experience. (1)

Every command should attempt to stratify information concerning training and NACO expectations in general and brief each intern upon his/her reporting. (1)

Complete Basic prior to reporting to the command. (1)

Have quotas reserved for mandatory courses and scheduled for the two-year program. (1)

Front-load the schools. (1)

Have FMSO assign DAWIA training quotas in the same manner that CCIP interns are centrally allocated. NACOs are frequently placed at the bottom of the local training command office's priority list. The training office does not understand NACOs are only around for 24 months. (1)

Let us know what things we need to know to be effective as senior contracting managers, what competencies should we have? (1)

Structure training program dictating rotations within a given command maximizing the exposure to the various requirements for commanding a contracting facility. (1)

Provide a check list of items that we should be exposed to while on the job (i.e., J&As, BC, etc.). Not necessarily a sign-off PQS but similarity would give solid direction for commands. (1)

Increase the length of the program from 2 to 3 years. (1)

Provide some rotation through the program office for background, experience and exposure. (1)

Assistance in scheduling required courses. (1)

Some type of controls should be implemented to ensure that NACOs receive first priority for schools. (1)

Ensure that NACOs are ensured quotas in their courses. NACOs do not have time to compete with civilians for necessary DAWIA courses because NACOs are only on station for 18-24 months. (1)

Rotate NACOs between command to expand experiences. (1)

Give it more standardization. (1)

Create a list of performance factors or at least a list of those specific skills that NAVSUP desires NACOs to gain during their internship. As it is now, internships are very diverse from one activity to another. (1)

Keep the BRMC at UVA. (1)

APPENDIX J. PERSONAL INTERVIEWS OF SENIOR OFFICERS

A. WHAT ARE THE OBJECTIVES OF THE NACO PROGRAM?

(numbers in parenthesis indicate the number of similar responses)

The immediate objective is to get the 1306S code and get DAWIA Level II qualified. (1)

To train Supply Officers to be prospective contracting officers, and at the next level, to manage the function. (1)

To get people in the procurement subspecialty, to get them started, to get them trained, to get them a subspecialty designator, to get them in a position where they can have at least one procurement payback tour. (1)

In the past, it was more to develop somebody that would probably have a lot more procurement exposure than what looks like we are going to be able to get now. Today, you are not going to be able to have 14 years in contracting and still make O6. Diversity is what would get you promoted. So, what the Navy expected of NACOs in the past is somewhat different today. An additional contracting tour before they get promoted to O5 is what we are looking at getting from NACOs. So, is it really to train specialists any more? Yes, but it is not going to be at the same level of intensity that was done in the past. (1)

To ensure that we get, that we build, develop, generate a cadre of uniform military, Supply Corps Officers that would be the acquisition professionals, lead the acquisition team in the future; that includes both, acquisition from the standpoint of major systems acquisition at Headquarters and also in the field, in terms of field contracting.

The objectives are probably not much different than they have been since the program was implemented. The motivations are different. The motivations when the procurement intern program started up were reactionary. We were reacting to

the Congress. Today, the motivations are to ensure that we have a cadre of competent professionals.

To give NACOs an opportunity to what see contracting is like. To learn the basic skills that are required to get through the necessary introductory courses. I don't look at as one of our objectives ought to be that every NACO ought to go into a career of contracting. There is a lot of benefit to having people, that have been NACOs, in other fields who understand and appreciate what contracting it is all about.

Give young officers the technical expertise to be able to manage large contracting operations when they become senior officers. It is not to make them technicians but to them train them with hands-on experience so they can utilize this experience in management roles later on. (1)

First of all to introduce a new officer to the field of contracting as a profession; secondly, it is to give him the basic skills of contracting; but thirdly, and most importantly, is to introduce him to a career path which would lead to the top acquisition jobs.

To develop the future senior officers into the procurement subspecialty. I think, it gives us the opportunity to pick the best and brightest of the junior officers.

B. WHAT ARE THE MAJOR PROBLEMS ENCOUNTERED BY THE NAVY IN ITS EFFORTS TO CHANNEL NACO GRADUATES INTO THE ACQUISITION AND CONTRACTING MANAGEMENT CAREER PATH?

Once an individual completes the program, there is no guarantee that they would come back to contracts. We have senior O5 NACO graduates who today seek assignments to contracting billets which they don't qualify for because of DAWIA's 4-year experience requirement. These individuals have not completed another contracting tour since graduating from the NACO program.

When detailers are looking for a body to fill a billet, it's not always a 1306 billet, so NACOs go off and do something else.

In the past ten years, the emphasis has been for Naval officers to gain a great deal of expertise. Now, we seem to be going back to where we were generalist Supply Officers and are willing to buy the specialist from the civilian workforce. This is a problem because if you look at the number of captain billets that require procurement expertise versus the number of procurement trained captains that are floating around, you can't fill the billets. We, the Supply Corps, made a choice, at the commander level, that we want people who can function as an afloat Supply Officer. For better or worse that is not necessarily the same criteria that you need to succeed past the commander sea tour. So, what we have effectively done is to ask a lot of people who failed to select for the commander (O5) sea tour to retire. If you fail to select for the commander sea tour, you are not going to make captain.

We are having a difficult time filling O6 procurement billets, not because of a shortage of personnel, but because of a lack of personnel with contracting experience. There are many senior 1306S officers who have not had a single follow-on contracting tour in their careers. We cannot put these officers in any O6 contract management billet.

This question really goes to the issue of generalist versus specialist that goes back before the procurement intern program was implemented. Sort of, what is the greater need within the Supply Corps? To the extent that you create specialists, whether procurement specialists, fuel specialists, or boxkicking specialists, to the extent that you create subspecialties, corps within corps, you get away from what the Supply Corps is all about, making sure that we have Supply Corps Officers to support the Fleet. So, today and in the future, the major obstacle is going to be ensuring that we have adequately trained and developed-education, training and experience- acquisition professionals who are first and foremost Supply Corps Officers. We cannot lose sight of that. Officers who have the diversity but yet still have viable career paths. The difficulty is that there is not a lot of time in 20 years to do three sea tours and four contracting tours. If you are going to be a Supply Corps Officer you have got be diversified. If you want to specialize strictly in contracting, then you are looking at leaving the Navy at the O5 level. If you want to be a senior Supply Officer, then you got to have some skills in your bag other than just contracting. If you want have a contract management career, then you look and become a civilian. But, if you want to stay in the Supply Corps, then you are going to get two, maybe three, contracting tours and the rest better be in something else or you will not get there.

I don't think it is a problem of training people on the way up, it is a problem of not having enough people, people getting out or people not wanting to get back

into contracting. I don't think people have been restricted from coming into the field, I think they've voluntarily exited the subspecialty.

I am not sure that I would characterize it as a major problem. First, it is important that we understand that our primary mission is functioning as afloat Supply Officers. That is why we are around anyway. So, when you look at the detailing, that comes first, the stuff that we do ashore hinges around that. The major problem we now have in this area is that if you look at all of the kinds of experience that would be very desirable to have, say at the senior O5, O6 level, if it were not for the other things that we need to do as blue suiters, we were more like the civilian 1102s, then you would like to have a negotiator tour (NACO program), a PCO tour, a ACO tour, a contracting management tour, and a policy manager tour. So, there are five tours, some where between 10 and 12 years, that if you want to get a fully experienced senior O5, junior O6, you would like him or her to do that. But, we can handle that just in the number of tours you got, plus we have to be more diversified now as Supply Officers than when I came through the system.

The problem is diversity, sea duty, and yet at least meeting the DAWIA requirements, and then how much you can put in. This is very difficult for the detailing process. The bottom line is that your career pattern is to get you promoted, or else you are out of here. You can be a highly specialized 1306, but it does not do any good, first the O5 selection, and then screen for sea duty with the objective of making O6.

C. WHAT ARE THE PRINCIPAL ISSUES THAT CONCERN NACOS WHEN DETERMINING WHETHER OR NOT TO SEEK A CAREER IN CONTRACT MANAGEMENT?

They have been told that two tours in contracting is the maximum they expect before they screen for captain. They are going to have to go to non-contracting tour, staff duty or any kind of Fleet support billet. They have to get a much broader background. (4)

They are no different than those officers in other career fields. It depends on the motivations of the individual, where does he/she sees the career opportunities? (1)

What is the career path? Do I have an opportunity for promotion? (1)

First of all, you have to like this staff. (1)

Maybe there is a lot of people that view the 1306 subspecialty as too specialized. And this may discourage former NACOs to come back into contract management positions. I have not seen a critical shortage of people who are interested in contracts. What I see, at the O5 and O6 level, is a shortage of people who have adequate experience. From the detailer's perspective, they look at 1306P and then they have a list of billets that require a 1306P, so they can fill billets. But can they fill billets with people with the right background and enough experience? And this is where we have a major problems. At the O6 level is where, really, it gets to be a serious problem. People who have the 1306 subspecialty and have not practice the trade we cannot use in any senior contract management position. (1)

D. TO WHAT EXTENT HAS THE CONTRACT MANAGEMENT COMMUNITY BEEN AFFECTED BY THE SUCCESSES AND SHORTCOMINGS OF THE NACO PROGRAM?

The NACO program had a very positive impact on 1306 subspecialty because the program fills a gap of 1306 officers that we need. Although the 815 program is the main source of 1306 officers, the Navy cannot send that many individuals to Postgraduate School. The funding for the School is not there. So you need the NACO program. In some cases, the two year tour experience combined with the training that the individual gets, you can very well end up with a better, more seasoned contracting officer. Combine the Fleet experience at sea and experience in a FISC or a tycom staff assignment, then you have an individual who is very well rounded. Vice an individual who completed two sea tours, completed a Navy exchange tour, went to PG School, and walks into a job

If NACOs don't work out, we are going to have problems filling the O5 and O6 jobs in the systems commands, and the NRCCs as well. (1)

I don't know what the shortcomings of the NACO program are. I think the program as has evolved over time, has gotten better and better. The successes aspect of the question is more of a point. If we did not have this selected cadre of

NACO graduates coming up at the, lieutenant, the O3, O4, O5 level, people who have graduated from the program, and having established that credibility, complemented by the 815 program, I think we would find ourselves in severe talent shortage at the O5 and O6 level. The first question that always gets asked by somebody like me, or the Chief, who is looking at filling one of these contract management jobs is, is he a NACO graduate?, is he a graduate of Dr. Lamm, 815 program? Unfortunately, there is not enough of these people out there, the O4, O5 level to adequately fill all of these jobs, and certainly not at the O6 level. So, the shortcoming maybe has been that we don't have enough NACO billets. In today's environment increasing the number of NACO billets is very unlikely to happen, and yet it is probably what we need to do. (1)

It is has attracted a lot of people into the 1306 subspecialty. The NACO program is a well known program, is well publicized, a lot people want to get into it. (1)

Extremely successful. From the detailing stand point, a NACO graduate is very easy to detail. It is easier to detail a NACO than it is to detail somebody coming out of Monterey with just a 1306P code. With the P-code you really have no practical experience, you just have book experience. Where a NACO actually has hands on experience in contracting. If you are a NACO in the field, field contracting, and you have done ICP or a supply center, or at a contracting center, then to detail you to a hardware system command is extremely easy. Whether it is a business financial management billet in a program office, or whether it is at a contracting office, it would not be difficult at all.

NACOs make up a significant number of the 1306 subspecialty pool. NACOs contribute to the cohesiveness of the subspecialty. One of the shortcomings of the program is that maybe we are losing visibility of the graduates.

Quite obviously, the NACO program is the key because that is where the O5s and O6s, who are key players in the subspecialty today, came from. I think that if you look across the board today, say at the O6 level, almost everybody would have come up from the NACO program.

Why are not enough NACOs in the 815 program?

E. WHAT ARE SOME OF THE STEPS THAT CAN BE TAKEN TO BRING A GREATER NUMBER OF NACOS INTO THE CONTRACT MANAGEMENT CAREER PATH?

Consciously offer them contracting billets so they at least complete one O4 contracting billet. Without an O4 contracting tour, we can use them at the O5/O6 level.(1)

If NACOs get a P-code other than the 1306P code, monitor his or her career to ensure at least one contracting tour is completed, or else, we'll lose him/her. The DAWIA qualification would not be met.(1)

Identify quality procurement billets NACOs can go to and make those jobs available for them.(1)

One thing that is bothers me is that to get the 1306P code you have to go to the Naval Postgraduate and complete the 815 program. To get into the NACO career path is very competitive. To get to be selected to be a NACO, people have to have superb records. A lot of NACOs are selected for the 810 graduate program. When these people come out the 810 program they get a 1301P code and a 1306 subspecialty. Why not when they complete the 810 program grant them the 1306P code.(1)

There are no problems. Very few NACOs don't get back into contracting.(1)

May be there ought to be a former NACO in the detailing shop; this should be one of the OP's goals as they put together their detailers-that we have a former NACO in one of the detailer jobs. And somebody who can take the job of tracking NACO careers. In other words, if you are former NACO, maybe the detailer should have to explain why you are not coming back to contracting. (1)

Get the senior 1306s involved in an informal consulting group to play in the detailing process, play in career counseling, and try to make sure that we are in fact

developing enough people, qualified people. Getting the senior subspecialists interesting in stimulating the subspecialty.

F. HOW SUCCESSFUL HAS THE NACO PROGRAM BEEN IN PREPARING JUNIOR SUPPLY CORPS OFFICERS FOR FUTURE ASSIGNMENT TO MIDDLE AND SENIOR GRADE CONTRACTING MANAGEMENT BILLETS?

The NACO program is as successful as we want it to be. We put good people in, let them seek their own level, because they are good people, we have gotten outstanding results. It scares me to think how much better it can be If we put together a better training program.(1)

The successes are evident by the fact that there is a great demand for NACOs. (1)

I guess when you look through the list of NACO graduates, there are a substantial number of NACOs who made O6. Some of them are still in contracting, some of them are not. There a lot of NACOs today who are holding contracting jobs. The NACO program really met the goal that it was designed to do which was to introduce junior officers to contracting, and lot of them decided to stay. (1)

The NACO program has been superb and it has done very well.(1)

I think the NACO program is the best program that the Supply Corps has. Those people who have completed the NACO program can go out and do almost any contracting job at the next level or next two levels. People who graduated from the NACO program, by in large, have done extremely well. (1)

It is extremely successful because prior to the NACO program we were not major players in the procurement world, in particularly in major weapons systems. The program has developed a subspecialty, so in fact, we do have a cadre of officers who understand the business and who are assigned to senior contract management positions. (1)

G. WHAT WOULD YOU CHANGE TO MAKE THE NACO PROGRAM MORE EFFECTIVE?

Getting the training ahead of time before they walk on board. (1)

We need to do some career management of our 1306Ss/Ps, more specifically 1306Ss. We need to get them back for follow-on tours in contracting.(1)

We should have a senior O6, somewhere in an area the subspecialty functions out of, in our case ASN is our senior 1306, that becomes the subspecialty manager. This manager can develop a data base that can be used to monitor where 1306 officers are rotating, who is leaving and who is staying, who can or cannot go to a certain job, and who needs to go a particular job. This manager can also assist in the detailing of these officers to ensure a properly balanced tour assignments. (1)

Make a conscious effort to get the NACOs around to see different aspects of contracting such as small purchase shops, NRCCs' operations, contractors' plants, and post-award contract administration offices. There is a lot more to procurement than hardware buying. Hardware buying is only about 5 percent of DoD's procurements, the rest is small business. (1)

Need to do a better job of watching how well we are using the NACOs. That means tracking them, tracking their careers to see if they indeed are leaving the Navy, why? And if they staying in the Navy but not desiring to get back into acquisition, why? And if they want to stay in acquisition and they are not detailed into acquisition billets, why?(1)

Mandate that we put all NACOs through the basic course at Fort Lee in route to their NACO assignment. Do not allow them to start the NACO program without having gone through Fort Lee. (1)

Mandate that NACOs get as much of that NACO training done in the first six months of the NACO tour as possible. So that the remainder 18 months can be used for OJT and recommended training courses. (1)

Restrict the NACO program to the ICP level or Headquarters level. When you look around and see where the senior contract management jobs are, they are not at the base level, instead, the O6s are at the ICPs, SysCom Headquarters level, major staffs, but by in large we have NACOs at FISCs, ordnance stations. I think we would be better served to put the NACOs into the Headquarters where we buy the major weapons systems and give them the opportunity to get some exposure to the major weapons acquisition system. (2)

The command should make sure that the officers get a good variety of contracting experience while they are there. And make sure they get rotated.(1)

Encourage NACOs to pursue a double P-code that includes the 1306P code. Some NACOs are being advised to pursue P-codes other than the 1306P in order to satisfy the diversification requirement. But there is nothing wrong with getting the 1306P code. We must try to tell the NACOs that it is not career devastating for you to get a 1306P. But if they are really concerned about diversification, the double P-code is a viable alternative. To encourage the double P-code avenue, we must provide the opportunity for NACOs to validate some of the basic contracting courses. (1)

Need to re-look at where we have the NACO billets; are they in the right places? It may be that we should keep as many billets in Washington as possible. This is because it is not terribly difficult to train someone in field contracting, but it is extremely difficult to train someone in hardware buying. Someone who had the major buys experience can adjust very quickly to a field contracting job, not so the reverse. An individual who completed the program in a field activity, may have a much more difficult time adjusting to a hardware contracting position.

The next four questions were asked to three senior contracting managers responsible for the administration of the NACO program at their major systems command.

H. DO YOU HAVE A DESIGNATED NACO SUPERVISORS/MENTORS OR DO YOU ROTATE THIS RESPONSIBILITY AMONG SEVERAL INDIVIDUALS?

The answer is yes. I meet with the NACOs on a quarterly basis and we go through their IDPs and review their progress. Also, we make sure that we have military officers (815 graduates and prior NACOs) in each of the divisions that serve as mentors for the NACOs assigned to that particular division. So, between myself and the military officers we feel we do a very good job with working with the NACOs.

One of the good things about an intern program is that if you show interest from the top, you'll get a much better product from the trainee. The interest that you show on them is sort of given back many times over. So, here, in the last six months, we have had a NACO luncheon. We went out on a cruise shipline and took a boat down the Potomac. We don't have individually designated mentors, per se, but it is a very good idea.

I am a firm believer that If you make people feel special, if you single them out and make them feel special, that they will stick with it. And if they feel they like they are all alone, then it is not really a program, and then they would go off and do something else.

I. WHAT ARE SOME OF THE PROBLEMS ENCOUNTERED RUNNING THE NACO PROGRAM?

Timing and obtaining quotas for training courses at the time that is most beneficial to the intern. Right now I have two interns, four months into the program, who have not attended the basic contracting course. This is the first time I have seen a situation where an individual does not get some type of training before reporting to a new job. We are doing a disservice to these officers, if we don't provide them at least the basic contracting course before they start the NACO program.

Early rotation of NACOs. Some NACOs rotate before two years. The problem with this is that under DAWIA you have to have two years of experience. If you pull a NACO out of the program before two years, then you have get a

waiver. Current Navy policy is that if the individual is going back to sea, a waiver would be granted.

The only problem I have encountered is that ASN(RDA) decided not to fund the UVA capstone course held at that institution. So, we had to go out and scramble to get the money. But we got $30,000 from this command to send our people, which was half of the required funding. Admiral Moore really came through and put-up the other half.

Every now and then, OP wants to take somebody early because they need lieutenants to send to sea, but we have been successful in avoiding that. We feel very strongly about keeping the NACOs for 24 months.

J. WHAT ARE SOME OF THE NEGATIVE ASPECTS OF THE NACO PROGRAM?

In some ways, it is kind of short. Two years is not a lot of time when you take into account all the courses they have to take.

Not a big believer in the two year commitment. I don't think any of our NACOs wants to leave the Navy. To get into the program is very competitive. Unlike in the past, the program is not being viewed as a way to become employable in the civilian sector. The two-year obligation is not helping us in any way. In fact, I think it is a potential negative in getting somebody, highly qualified but whose only concern is the two-year obligation. To illustrate this point. I have requests from two companies to help them find a lieutenant that is contemplating getting out, and I cannot find anybody.

K. WHAT ARE SOME OF THE POSITIVE ASPECTS OF THE NACO PROGRAM?

Early in an officer's career, you have the chance to tell him/her that he/she is in a select group. And, I think people always perform up to their expectations. So one of the big positives is that you are singled out in a structured training program

that lends some predictability to your career path right up to O6 and above. This is a big positive aspect of the NACO program. (1)

NACOs feel that they are members of a select group and perpetuate that same thinking, and people respond to it. They see the professionalism and they do respond in kind. (1)

Develops good work ethics for the individual. (1)

Training and experience is second to none. The program provides a good education and lays a good baseline for a follow-on, graduate education program. (1)

It provides opportunity for NACOs to get double P-codes while completing a graduate education program at the Naval Postgraduate School. (1)

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